

# RISK MANAGEMENT UPDATE

Cabinet Member for Finance & Commissioning

Date: 17 April 2024

Agenda Item:

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Key Decision? NO

Local Ward Full Council.

Members



Lichfield  
District Council

**AUDIT COMMITTEE**

## 1. Executive Summary

- 1.1 To provide the Committee with their routine risk management update.

## 2. Recommendations

- 2.1 That Members note the risk management update and receive assurance on actions taking place to manage the Council's most significant strategic and project risks.

## 3. Background

- 3.1 The purpose of risk management is to effectively manage potential opportunities and threats to the Council achieving its objectives. The Risk Management Policy was reviewed at this committee's meeting on 28<sup>th</sup> November 2023. Part of the Audit Committee's terms of reference is to 'monitor the effectiveness of the Council's risk management arrangements, including the actions taken to manage risks and to receive regular reports on risk management'. This report supports the Committee in achieving this objective.
- 3.2 The Council operates a 'three lines of defence' model in terms of risk management, this allows for a consistency of approach when designing our risk framework and controls. The model is set up in the following format;
- The first line of defence (functions that own and manage risks) is formed by managers and staff who are responsible for identifying and managing risks as part of their accountability for achieving objectives.
  - The second line of defence (functions that oversee or who specialise in compliance of the management of risk) provides, policies, frameworks, tools, techniques and support to enable risk and compliance to be managed in the first line. This is conducted by monitoring to judge how effectively they are doing it, and helps ensure consistency of definitions and measurement of risk.
  - The third line of defence (functions that provide independent assurance) is provided by internal audit. Internal Audit's main role is to ensure that the first two lines of defence are operating effectively and advise how they can improve.
- 3.3 The strategic risk register is produced by assessing the risk factors that could potentially impact on the Council's ability to deliver its strategic plan. This assessment ensures that there are the right measures in place to control the potential risks to our business objectives. Risks are assessed based on their likelihood of occurrence and their potential impact. Each of these are rated on a scale of 1 (Low), 2 (Medium), 3 (Significant) and 4 (High). By multiplying the two scores together, each risk receives a score.

3.4 The Strategic Risk register was circulated to Leadership Team for comments and is detailed in **Appendix 1**. Following Leadership Team it was agreed that the Audit Manager (Shared Service) would consider updates to the risk register, together with the 'horizon scanned' risks since the February 2024 report and the following updates have occurred.

- Minor wording and updates to the Strategic Risk Register, highlighted in 'yellow' within the Appendix.
- Consideration and inclusion of a new strategic risk in relation to the lack of a Local Plan, new **SR8**, which is included as **Appendix 2**. Once agreed by management this will be included in the main Strategic Risk Register.

3.5 The Council's strategic risks (**SR6** was approved for removal by the Committee) as at April 2024 the risk profile is shown below. It is noted that the scoring and review of each strategic risk is continuing, however no changes in the risk profile were made between September 2023 and April 2024.

Likelihood				
	SR1			
		SR3		SR7
			SR2, SR4, SR5	
	Impact			

The overall aim to reduce the current scores by the use of mitigating control and robust management processes, progress has been made since the last Audit & Member Standards Committee meeting and strategic risks will continue to be reported quarterly.

- **SR1:** Pressures on the availability of finance may mean the Council is not able to deliver the key priorities of the strategic plan.
- **SR2:** Resilience of teams to effectively respond to a further serious disruption to services.
- **SR3:** Capacity and capability to deliver / adapt the new strategic plan to emerging landscape.
- **SR4:** Failure to meet governance and / or statutory obligations e.g. breach of the law.
- **SR5:** Failure to adequately respond to the wider socio-economic environment over which the Council may have little control, but which may impact on the growth and prosperity of the local area.
- **SR7:** Threat to the Council's ICT systems of a cyber-attack.

It is proposed that the following new strategic risk would be included in the register.

- **SR8:** Withdrawal of Local Plan 2040.

3.6 There are three strategic projects that are moving to the delivery stage and therefore given the risk they potentially present to the Council; it is good practice to have oversight of the risk management approach. Therefore, a separate initial Strategic Project Risks Register is included as **Appendix 3** for review by the Audit Committee. This details the 3 current strategic project risks:

- **SP1:** The project to develop a Cinema for Lichfield District;

- **SP2:** The project to develop a new Leisure Centre; and
- **SP3:** The project to redevelop the Birmingham Road site.

These risks are owned by the Major Projects Team. A separate matrix showing the current risk profile is shown below.

Likelihood				
		SP3	SP2	
			SP1	
	Impact			

Currently one strategic project risk, **SP2** is above the risk appetite of the Council, actions and responsibilities have been identified to mitigate the risks as they currently stand. As these projects develop further and these affect the current risk scoring these will be reported accordingly to Audit Committee.

3.7 Work to review of the effectiveness of our sub strategic (service / operational) and project risk has now been completed. In summary:

- The 3 lines of assurance approach (as used in the Strategic Risk Register) has now been adopted for sub-strategic risks (i.e. service level risks).
- Quarterly update meetings have been scheduled with Leadership Team and Audit Manager (Shared Service).
- There is no longer a requirement to record and manage risks below service level (services or teams are, however, at liberty to do so if it meets their business requirement).
- Project risks continue to be managed in accordance with accepted project methodology (i.e. PRINCE2).
- At this stage, no sub strategic risks need to be escalated to the strategic risk register

Alternative options	1. There are no alternative options.
Consultation	1. Leadership Team receive monthly updates on Strategic Risk Register and were consulted on the new Strategic Risk 8 and Strategic Project Risks.
Financial implications	1. Risk management processes consider value for money at all times of the process. Failure to manage risks could lead to the Council being faced with costs that could impact on its ability to achieve its objectives.
Approved by Section 151 Officer	Approved.
Legal implications	1. There are no specific legal implications.
Approved by Monitoring Officer	Approved.
Contribution to the	1. Sound risk management ensures that risks affecting the delivery of the

delivery of the strategic plan	strategic plan are identified and managed.
Equality, diversity and human rights implications	1. Sound risk management ensuring a consistent and robust approach to all equality, diversity and human rights issues and their implications to the Council.
EIA logged by Equalities Officer	Yes/no* Equalities Officer confirmed not required.
Crime & safety Issues	1. There are no Crime and Community Safety issues.
Data assessment	1. None.
Environmental impact (including climate change and biodiversity)	1. Risks arising from climate change and the green agenda are considered by management and Leadership Team.
GDPR / Privacy impact assessment	1. Risks associated with non-compliance with GDPR are included within SR4: Failure to meet governance and/or statutory obligations e.g., breach of law (e.g., Health & Safety, GDPR, procurement, safeguarding).

	Risk description & risk owner	Original score (RYG)	How we manage it	New score (RYG)
A	Failure to manage known risks and opportunities proactively/ Leadership Team	Likelihood: Green Impact: Red Severity: Red	Strategic risks are closely monitored by Audit Committee, Cabinet Member and Leadership Team.  Reports to Audit Committee provide assurance that active steps are being taken to control risks.	Likelihood: Green Impact: Yellow Severity: Green

Background documents	Risk Management Policy – updated and approved by Audit Committee 20 <sup>th</sup> July 2023.
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Relevant web links	None.
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## Appendix 1: Strategic Risk Register – April 2024

Strategic Plan Link	Risk & Owner	Original Score	Mitigating Controls	Current Score	Target Score	Actions Responsibility / Timescale	3 Lines of Assurance
A good council, developing prosperity, shaping place, enabling people	<p><b>SR1 Pressures on the availability of finance may mean the Council is not able to deliver the key priorities of the strategic plan.</b></p> <p>The risk is influenced by:</p> <ul style="list-style-type: none"> <li>Government spending plans.</li> <li>The national and local economic climate, C Tax referendum limit, grant funding implications, changes to business rates and social housing rents.</li> <li>Local Government Finance Reform including New Homes Bonus, Business Rates and the Fair Funding Review.</li> <li>Other Government Policy announcements impacting on Local Government.</li> </ul>	16 (L4x14)	<ul style="list-style-type: none"> <li>Prudent estimates for Business Rates and New Homes Bonus based on modelling provided by Local Government Finance experts.</li> <li>Risk assessed minimum level of reserves set at £1.9m.</li> <li>Routine budget monitoring reported to Leadership Team, Cabinet and Overview and Scrutiny Committee.</li> <li>Requirements of the new CIPFA Financial Management Code, information contained in the CIPFA Resilience Index and benchmarking reports from LG Futures.</li> <li>Confirmation and Implementation of financial settlement for 2023/24 and Provisional Settlement for 2024/25.</li> </ul>	3 (L3x11)	3 (L3x11)	<ul style="list-style-type: none"> <li>Update of the Medium Term Financial Strategy <b>Responsibility: Assistant Director Finance &amp; Commissioning will commence in July 2023 and approved February 2024</b></li> <li>Outcome of Final Local Government Financial Settlement – single year in February 2024.</li> </ul>	<p><b>1<sup>st</sup> Line:</b></p> <ul style="list-style-type: none"> <li>Approved Medium Term Financial Strategy including the Capital Strategy covering 5 years plus a 25 year capital investment model.</li> <li>A longer term financial plan covering a 25 year horizon for revenue budgets.</li> <li>Approved Treasury Management Strategy.</li> <li>Production of monthly budget reports to Managers.</li> <li>Procurement Strategy</li> </ul> <p><b>2<sup>nd</sup> Line:</b></p> <ul style="list-style-type: none"> <li>Leadership team review of 3, 6, 8 and 12 month reports to Cabinet and Overview and Scrutiny Committee.</li> <li>Mid-year and outturn Treasury Management reports to Audit and Member Standards Committee.</li> <li>Initial assessment of LDC's level of compliance with the FM Code to Audit and</li> </ul>



Appendix 1: Strategic Risk Register – April 2024

Strategic Plan Link	Risk & Owner	Original Score	Mitigating Controls	Current Score	Target Score	Actions Responsibility / Timescale	3 Lines of Assurance
	<ul style="list-style-type: none"> <li>Funding of Council's headline priorities and the shortfall of funding.</li> <li>Inflationary pressures on procurement of services, cost of living/fuel/construction and replacement fleet vehicles.</li> <li>Costs of potential Planning Appeals.</li> </ul> <p><b>Owner:</b> Assistant Director - Finance &amp; Commissioning (Section 151)</p>		<ul style="list-style-type: none"> <li>Balanced budget for next 2 years.</li> </ul>				<p>Member Standards Committee 12/11/2020.</p> <ul style="list-style-type: none"> <li>CIPFA Resilience Index with comparative information to nearest statistical neighbours and all District Councils.</li> </ul> <p><b>3<sup>rd</sup> Line:</b></p> <ul style="list-style-type: none"> <li>External Audit – going concern test and sign off of financial statements 2021/22. Unqualified VFM assessment.</li> <li>Internal Audits of Accountancy and Budgetary Control 2018/19 -substantial assurance, Capital Strategy 2020/21 – reasonable assurance, Capital Accounting 2020/21 – substantial assurance, Income Management 20/21 – reasonable assurance, Procurement 22/23 substantial assurance</li> <li>LGA Corporate Peer Challenge</li> <li>Draft External Audit Annual Audit Report for 2021/22 and 2022/23</li> </ul>



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A good council, developing prosperity, shaping place, enabling people	<p><b>SR2 Resilience of teams to effectively respond to a further serious disruption to services</b> (e.g. multiple layer disruption arising from flooding and other disruptive events).</p> <p>New people into organisation.</p> <p>Potential for power disruptions.</p> <p>Affects to service delivery and office systems.</p> <p>New SRF with added commitment/required capacity.</p> <p><b>Owner:</b> Leadership Team</p>	12 (L3xI4)	<ul style="list-style-type: none"> <li>• <i>Mutual aid assistance</i></li> <li>• <i>Local Resilience Forum (LRF).</i></li> <li>• <i>Tested business continuity arrangements in place including office power generation.</i></li> <li>• <i>Strong links with the Staffordshire CCU, Risk Action Working Group and wider LRF.</i></li> <li>• <i>Active workshop on BCP to LT.</i></li> <li>• <i>Actively engaged in ongoing Local Resilience Forum response and recovery work streams.</i></li> <li>• <i>Strategic and tactical flood planning work across LRF, to assist in our response and the multi-agency response to such events. This includes identifying 'at risk' areas</i></li> </ul>	3 (L1xI3)	3 (L1xI3)	<ul style="list-style-type: none"> <li>• Tasks completing and move away from initial Pandemic response, move to Being a Better Council.</li> </ul>	<p><b>1st Line:</b></p> <ul style="list-style-type: none"> <li>• Day to day business continuity plans in place.</li> <li>• Regular BCP testing (generator)</li> <li>• Training programme.</li> </ul> <p><b>2nd Line:</b></p> <ul style="list-style-type: none"> <li>• <b>Quarterly</b> Report to Leadership Team.</li> <li>• CCU test of arrangements feedback.</li> <li>• Response and learning from recent incident at Ridware House.</li> <li>• Report on recovery plan Overview &amp; Scrutiny (O&amp;S).</li> <li>• Approval of Climate Change Strategy.</li> </ul> <p><b>3rd Line:</b></p> <ul style="list-style-type: none"> <li>• Internal Audit of business continuity 2019/20 – reasonable assurance, ICT – remote working 20/21 – reasonable assurance.</li> </ul>



Appendix 1: Strategic Risk Register – April 2024

Strategic Plan Link	Risk & Owner	Original Score	Mitigating Controls	Current Score	Target Score	Actions Responsibility / Timescale	3 Lines of Assurance
			<p><i>in the District and specific actions required.</i></p> <ul style="list-style-type: none"> <li>• Provision of Foodbank presence, Warm Spaces etc.</li> <li>• Business Continuity planning.</li> <li>• <b>New SRF</b></li> </ul>				<ul style="list-style-type: none"> <li>• Flash Covid-19 Risk Assurance Business Continuity, Emergency Planning and Recovery 20/21 substantial assurance</li> </ul> <p><b>3<sup>rd</sup> Line:</b></p> <ul style="list-style-type: none"> <li>• Internal Audits of Accountancy and Budgetary Control 2018/19 -substantial assurance, Capital Strategy 2020/21 – reasonable assurance, Capital Accounting 2020/21 – substantial assurance, Income Management 20/21 – reasonable assurance, Procurement 22/23 substantial assurance</li> <li>• External Audit – going concern test and sign off of financial statements 2020/21. Unqualified VFM assessment.</li> </ul>
A good council, developing	<b>SR3: Capacity and capability to deliver / adapt the new</b>	6 (L2x13)	<ul style="list-style-type: none"> <li>• Regular review of progress against delivery plan outcomes and</li> </ul>	4 (L2x12)	4 (L2x12)	<ul style="list-style-type: none"> <li>• Implementation of Being a Better Council.</li> </ul>	<p><b>1<sup>st</sup> Line:</b></p> <ul style="list-style-type: none"> <li>• Day to day business / service planning, financial planning</li> </ul>





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Strategic Plan Link	Risk & Owner	Original Score	Mitigating Controls	Current Score	Target Score	Actions Responsibility / Timescale	3 Lines of Assurance	
prosperity, shaping place, enabling people	<b>strategic plan to emerging landscape.</b>		<p><i>prioritisation process agreed between Leadership Team and Cabinet.</i></p> <ul style="list-style-type: none"> <li>• <i>Robust project management.</i></li> <li>• <i>Communications to all staff.</i></li> <li>• <i>Recruitment activity.</i></li> <li>• <i>OKR completion leading to identifying training and development needs.</i></li> <li>• <i>Monitoring resource demands.</i></li> <li>• <i>Mental health / wellbeing systems in place.</i></li> <li>• <i>Upcoming Community Power Strategy to increase capacity to deliver.</i></li> <li>• <i>New Strategic Plan to 2050.</i></li> <li>• <i>Utilisation of LATCo to provide greater resilience and flexibility for resourcing.</i></li> </ul>			<ul style="list-style-type: none"> <li>• Management oversight and robust project management requirements for delivery of Better Council.</li> </ul>	and performance management.	
	Senior Leadership Team changes. Strategic level roles and active recruitment.						<b>2<sup>nd</sup> Line:</b>	<ul style="list-style-type: none"> <li>• Completion of OKRs.</li> <li>• Delivery Plan reported 6 monthly to Cabinet and shared with Overview &amp; Scrutiny.</li> <li>• Quarterly updates to LT on Belonging and Wellbeing Strategy.</li> </ul>
	<b>Owner:</b> Leadership Team						<b>3<sup>rd</sup> Line:</b>	<ul style="list-style-type: none"> <li>• Internal Audits of People Strategy and Workforce Development 2019/20 – reasonable assurance, Performance Management 19/20 – substantial assurance.</li> <li>• Inclusion in Audit Plan for reviews against delivery of themes.</li> <li>• LGA Corporate Peer Challenge follow up</li> </ul>



Appendix 1: Strategic Risk Register – April 2024

Strategic Plan Link	Risk & Owner	Original Score	Mitigating Controls	Current Score	Target Score	Actions Responsibility / Timescale	3 Lines of Assurance
A good council	<p><b>SR4: Failure to meet governance and / or statutory obligations e.g. breach of the law</b> (e.g. Health &amp; Safety, GDPR, procurement, Safeguarding), lack of openness / transparency in decision making, breach of the constitution. This could lead to fines as well as reputational damage.</p> <p>Subsidy Control Framework and self-assessment risks subject to challenge. Arrangements in process of being developed, requirement to build in operation and awareness training.</p> <p>Risk of failure to retain documentation in a manner</p>	9 (L3xI3)	<ul style="list-style-type: none"> <li>Regularly reviewed constitution, policies and procedures.</li> <li>Training and awareness for all staff and members.</li> <li>Effective Overview and Scrutiny and Audit &amp; Member Standards Committee oversight.</li> <li>Codes of Conduct.</li> <li>Internal audit.</li> <li>Dedicated Monitoring Officer</li> <li>Roles of Section 151 Officer and Monitoring Officer.</li> <li>Shared legal services.</li> <li>Procurement Team.</li> <li>Governance Team with additional capacity being recruited.</li> <li>Internal Appointed DPO.</li> </ul>	3 (L1xI3)	3 (L1xI3)		<p><b>1<sup>st</sup> Line:</b></p> <ul style="list-style-type: none"> <li>Day to day processes and Local Code of Governance</li> <li>Forward plans/committee work plans/ delivery plan and service planning.</li> <li>Use of Mod Gov and publication scheme.</li> </ul> <p><b>2<sup>nd</sup> Line:</b></p> <ul style="list-style-type: none"> <li>Annual reports to Audit and Member Standards Committee.</li> <li>Regular reports to leadership team.</li> <li>Transparency data publication.</li> <li>Completed review of document storage.</li> <li>Procurement Team in place and operating.</li> <li>Internal DPO in place</li> </ul> <p><b>3<sup>rd</sup> Line:</b></p> <ul style="list-style-type: none"> <li>RIPA, ICO and Ombudsman reports/returns.</li> </ul>



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	to allow both storage and retrieval.  <b>Owner:</b> Chief Operating Officer		<ul style="list-style-type: none"> <li>Review of document storage and filing systems.</li> <li>Electronic retention of documentation.</li> <li>Sealed documents held in fire proof room.</li> <li>Education and development of Service Managers to support teams with advice and guidance.</li> <li></li> </ul>				<ul style="list-style-type: none"> <li>External audit of Annual Governance Statement as part of the financial statements.</li> <li>2019/20 – adequate assurance, GDPR follow up 2019/20 &amp; 2022/23 – limited assurance and follow up during 23/24 – substantial assurance, Transparency code follow up Procurement 20/21 limited assurance – follow up.</li> <li>Review of GDPR and agreed action plan reported to A&amp;MS Committee for 2022/23 and 2023/24.</li> <li>External investigations and lessons learnt exercises to address internal control weaknesses.</li> </ul>
A good council, developing prosperity, shaping place,	<b>SR5: Failure to adequately respond to the wider socio-economic environment over which the Council may have little control, but which may impact on the growth and prosperity of the local area.</b>	9 (L3xI3)	<ul style="list-style-type: none"> <li>Financial assistance from Government to businesses and the public.</li> <li>Prosperity is a key theme in the new Strategic Plan.</li> <li>Staffordshire Leaders Board</li> </ul>	3 (L1xI3)	3 (L1xI3)	<ul style="list-style-type: none"> <li>Continued delivery of immediate actions to support high street economy and business (including visitor economy and hospitality sector).</li> </ul>	<b>1<sup>st</sup> Line:</b> <ul style="list-style-type: none"> <li>Day to day delivery of economic development, housing and health and wellbeing strategies.</li> <li>Development and inclusion of Being a Better Council</li> </ul> <b>2<sup>nd</sup> Line:</b>



Appendix 1: Strategic Risk Register – April 2024

Strategic Plan Link	Risk & Owner	Original Score	Mitigating Controls	Current Score	Target Score	Actions Responsibility / Timescale	3 Lines of Assurance
	<p>Relating specifically to the effects of the 'cost of living crisis. This results in an increase in unemployment, business closures coupled with emergence of higher expectation of ongoing support from the Council. Increased demand on Council services such as benefits via increased Universal Credit claims, at the same time that Council suffering reduced income.</p> <p>Including Ukraine families and Refugee dispersal within area.</p> <p><b>New Strategic Plan from May 2024.</b></p> <p><b>Owner:</b> Leadership Team</p>		<ul style="list-style-type: none"> <li>Staffordshire Chief Executives Group</li> <li>Strong partnership working e.g. Lichfield District Board, Staffs CC, Birmingham Chambers. Burntwood Business Community LGA, DCN,</li> <li>New burdens funding.</li> <li>Partnership influences built into business case considerations.</li> <li>Continue to develop and improve the business contact and relationships locally.</li> <li>Development of Wellbeing indicators at ward level for both activity and response.</li> <li>Cost of living issues mitigated and off set by Tourism.</li> <li>Ongoing Council Plans development.</li> </ul>			<ul style="list-style-type: none"> <li>Further government support – the Welcome back Fund - received to extend timescales and assist with the reopening of high streets and support to local businesses through to March 2022. Additional spend on a variety of projects currently in process of being identified.</li> <li>Implementation of Being a Better Council – Better Led, Better Equipped and Better Performing.</li> </ul>	<ul style="list-style-type: none"> <li>Leadership team review of 3, 6, 8 and 12 month Money Matters reports to Cabinet, Strategic (OS) Committee.</li> <li>Health and Wellbeing Strategy delivery reports.</li> </ul> <p><b>3<sup>rd</sup> Line:</b></p> <ul style="list-style-type: none"> <li>Internal Audit of Economic Development Partnership Arrangements 2017/18 – adequate assurance, Tourism 2019/20 – reasonable assurance, Housing Benefits – overpayments 2017/18 – adequate assurance, Housing Benefits – verification and performance 2016/17 – substantial assurance, Housing Benefits and Council Tax Relief 20/21 substantial assurance</li> </ul>



Appendix 1: Strategic Risk Register – April 2024

Strategic Plan Link	Risk & Owner	Original Score	Mitigating Controls	Current Score	Target Score	Actions Responsibility / Timescale	3 Lines of Assurance
			<ul style="list-style-type: none"> <li>Car Parking Strategy to encourage viability of City Centre.</li> </ul>				
A good council	<p><b>SR7: Threat to the Council's ICT systems of a cyber-attack</b> following dramatic increase in remote working which if successful could result in loss of data / loss of access to applications – which may incur fines / reputational damage.</p> <p>Involvement of state players and their use of cyber warfare as part of a strategy to further agendas.</p> <p>Increased number of sophisticated 'phishing' attacks with increased time taken to investigate and remediate. Move away from purely email to other platforms such as 'Teams'.</p>	4 (L1xI4)	<ul style="list-style-type: none"> <li>Use of firewalls and virus protection to manage cyber security, including penetration testing.</li> <li>Strong access level controls (including remote access).</li> <li>Training and regular awareness raising to staff of risks.</li> <li>Digital strategy.</li> <li>PSN compliance checklist.</li> <li>Revision of Service Business Continuity Plans.</li> <li>IT Auditor provision resourced from August 2021.</li> <li>Adoption of multi-factor authentication.</li> <li>Development of monthly reports from software supplier for follow up of</li> </ul>	8 (L2xI4)	4 (L1xI4)	<ul style="list-style-type: none"> <li>Review mandatory training requirements.</li> <li>Reminder to staff to complete training and awareness. Re-run Awareness Training/Meta Compliance</li> <li>Completion of PSN Compliance checklist</li> <li>Draft IT Strategy (Feb 2024)</li> </ul>	<p><b>1<sup>st</sup> Line:</b></p> <ul style="list-style-type: none"> <li>Day to day operation of ICT Training programme for all staff.</li> <li>Up to date versions of software and implement all IT security patches.</li> <li>Awareness Training/Meta Compliance.</li> <li>Maintenance of PSN Compliance.</li> </ul> <p><b>2<sup>nd</sup> Line:</b></p> <ul style="list-style-type: none"> <li>Regular monitoring and reporting on security issues to Leadership Team.</li> <li>External penetration testing.</li> <li>Full Council wide adoption of multi-factor authentication.</li> </ul>



## Appendix 1: Strategic Risk Register – April 2024

Strategic Plan Link	Risk & Owner	Original Score	Mitigating Controls	Current Score	Target Score	Actions Responsibility / Timescale	3 Lines of Assurance
	<p>Failure by staff to complete ICT training and the take up of MFA.</p> <p>Move from copper to fibre (anti-surge/back up and servers).</p> <p>Owner: Chief Executive</p>		<p>staff not completing mandatory ICT training.</p> <ul style="list-style-type: none"><li>Implementation of Knowledge Hub training.</li></ul>				<p><b>3<sup>rd</sup> Line:</b></p> <ul style="list-style-type: none"><li>ICT Audit Procurement to review risk environment.</li><li>ICT Audit Needs Assessment completed.</li><li>Review of Microsoft 365 2021/22</li><li>IT Remote Access 2021/22</li><li>IT Website 2021/22.</li><li>Increase in the amount of IT Audit days from 20 to 40 for 2022/23.</li><li>PCI DSS 2023/24</li></ul>



## Appendix 1: Strategic Risk Register – April 2024

Key to 3 lines of assurance:	
1 <sup>st</sup> Line	Day to day operations of internal control systems
2 <sup>nd</sup> Line	Management oversight and monitoring controls
3 <sup>rd</sup> Line	Independent assurance from Internal / external audit and other independent assurance sources (e.g. HSE, BFI)
<b>Other Horizon Scanning Risks Arising August 2023:</b>	
Impact on the organisation arising from the devolution / local recovery white paper which was due in September 2020 and has now been postponed to 2021. Not a strategic risk at present, to include as a horizon scan until more information is known and impact on operations can properly be assessed.	
Impact on Council activities via the Government's legislative timeframes and planning activities arising from the Planning Bill detailed in the Queen's Speech.	
<b>Elections capacity with no dedicated Elections Team.</b>	
To balance the delivery of service specific objectives against the priorities and demands from Members/Cabinet to ensure continued alignment with Strategic Plan.	
Impact of withdrawal of government support measures (furlough), Universal Credit and implications for businesses and residents.	
pEPR implications around systems for recycling packaging and compensatory affects.	
Implications of increase in fuel duties from 1 April 2023	
Planning application fees – self funding.	
<b>LATCo review of governance arrangements and structures.</b>	
Arrangements for legislative changes following Brexit and blanket withdrawal in December 2023.	
<b>Insourcing of outsourced arrangements both cost and reputationally to the Council</b>	
GDPR	
Climate Change	
Local Plan/Strategic Plan costing of Planning challenges and cost of appeals with associated budget pressures	
Impact of Section 114 notices in the locality of the Council in terms of service demands and risks to services provide e.g., Payroll and Car Parking	
Charging for Food Waste	



## Appendix 1: Strategic Risk Register – April 2024

Strategic Plan Link	Risk & Owner	Original Score	Mitigating Controls	Current Score	Target Score	Actions Responsibility / Timescale	3 Lines of Assurance
A good council, enabling people	<p><b>SR6: Failure to innovate and build on positives / opportunities / learning arising (including from the Covid-19 situation) to maximise outcomes for the Council, e.g. technological solutions</b></p> <p><b>Owner:</b> Leadership Team</p>	9 (L3xI3)	<ul style="list-style-type: none"> <li>• Refurbishment and reorganisation of office spaces.</li> <li>• Cyber security e-learning.</li> <li>• Engagement Strategy.</li> <li>• Capture best practice</li> <li>• Reinforce a culture of innovation.</li> <li>• Belonging and Wellbeing Strategy.</li> <li>• Virtual committee meetings.</li> <li>• Business cases required for all major projects.</li> <li>• Drive to find ongoing efficiencies as part of service / financial planning process.</li> <li>• Customer promise.</li> </ul>	4 (L2xI2)	1 (L1xI1)	<ul style="list-style-type: none"> <li>• IT Strategy and options appraisals.</li> </ul>	<p><b>1<sup>st</sup> Line:</b></p> <ul style="list-style-type: none"> <li>• ICT hardware replacement programme providing the right equipment for mobile and flexible working.</li> <li>• Ongoing monitoring of customer (internal and external) feedback.</li> </ul> <p><b>2<sup>nd</sup> Line:</b></p> <ul style="list-style-type: none"> <li>• Monitoring of Lichfield Connects contact levels, trends and reporting on complaints and compliments to Leadership Team.</li> </ul> <p><b>3<sup>rd</sup> Line:</b></p> <ul style="list-style-type: none"> <li>• Local Government Ombudsman.</li> <li>• Flash Covid-19 Risk Assurance Staff Wellbeing 20/21 substantial assurance</li> <li>• Flash Covid-19 Risk Assurance Productivity and Governance 21/22 substantial assurance</li> </ul>

## Strategic Risk Register – removed risks





## Appendix 2: Strategic Risk Register – April 2024

Strategic Plan Link	Risk & Owner	Original Score	Mitigating Controls	Current Score	Target Score	Actions Responsibility / Timescale	3 Lines of Assurance
A good council, developing prosperity, shaping place,	<b>SR8: Withdrawal of Local Plan 2040</b> following formal withdrawal of Local Plan 2040 there are financial, legal, strategic plan and environmental impacts that may affect the achievement of the Council's aims and objectives.  <b>Owner: Leadership Team</b>	16 (L4xI4)	<ul style="list-style-type: none"> <li>• Ensure withdrawal is undertaken in accordance with Section 22 of the Planning and Compulsory Purchase Act</li> <li>• Members aware of the planning basis for withdrawal</li> <li>• Prepare and update Local Development Scheme to be reported to Cabinet keeping DLUHC informed.</li> <li>• Progression of new Local Plan.</li> <li>• Determination of planning applications taking account of diminished weight of some local plan policies.</li> <li>• Council to defend appeals appropriately having regard to policy context.</li> <li>• 5 year housing land supply requirement currently exceeded.</li> </ul>	6 (L2xI3)	6 (L2xI3)	<ul style="list-style-type: none"> <li>• Local Development Scheme – Cabinet March 2024.</li> <li>• Progression of new local plan in accordance with timetable set out in Local Development Scheme.</li> <li>• Regular review of progress and local development scheme by Policy &amp; Strategy team.</li> </ul>	<b>1<sup>st</sup> Line:</b> <ul style="list-style-type: none"> <li>• Day to day operation of planning process.</li> <li>• Implementation of new Local Plan.</li> </ul>
							<b>2<sup>nd</sup> Line:</b> <ul style="list-style-type: none"> <li>• Regular monitoring and reporting on progress to Leadership Team and Cabinet.</li> </ul>
							<b>3<sup>rd</sup> Line:</b> <ul style="list-style-type: none"> <li>• Inclusion of area within Audit Plan for 2024/25</li> </ul>



### Appendix 3: Strategic Project Risk Register – April 2024

Strategic Plan Link	Risk & Owner	Original Score	Mitigating Controls	Current Score	Target Score	Actions Responsibility / Timescale	3 Lines of Assurance
A good council, developing prosperity, shaping place,	<p><b>SP1: The project to develop a Cinema for Lichfield District is unsuccessful</b></p> <p>The creation of a new joint venture partnership, a Limited Liability Partnership (LLP), with Evolve Estates, through which a new cinema and associated food and beverage (F&amp;B) units will be developed in the former Debenhams unit in the Three Spires shopping centre</p> <p><b>Owner: Major Projects Team</b></p>	16 (L4xI4)	<ul style="list-style-type: none"> <li>Budget developed with Evolve Estates as commercial partner with review by external Quantity Surveyor and PWC.</li> <li>Revenue budget neutral approach until all assumptions become factual.</li> <li>Joint Venture Board with three Council Members with appropriate delegations and reversion to Council for key budget decisions.</li> <li>Major Projects Team with best practice project management methodology including change control.</li> <li>Overview and Scrutiny and Audit Committee oversight.</li> </ul>	6 (L2xI3)	4 (L2xI2)	<ul style="list-style-type: none"> <li>Regular review of progress by Major Projects Team to the project completion.</li> <li>Post Project Review following project completion by the Major Projects Team.</li> </ul>	<p><b>1<sup>st</sup> Line:</b></p> <ul style="list-style-type: none"> <li>Day to day project planning process.</li> </ul>
							<p><b>2<sup>nd</sup> Line:</b></p> <ul style="list-style-type: none"> <li>Regular monitoring and reporting on progress to Leadership Team and Cabinet.</li> </ul>
							<p><b>3<sup>rd</sup> Line:</b></p> <ul style="list-style-type: none"> <li>External and Internal Audit review.</li> </ul>



### Appendix 3: Strategic Project Risk Register – April 2024

Strategic Plan Link	Risk & Owner	Original Score	Mitigating Controls	Current Score	Target Score	Actions Responsibility / Timescale	3 Lines of Assurance
A good council, developing prosperity, shaping place,	<p><b>SP2: The project to develop a new Leisure Centre is unsuccessful</b></p> <p>The creation of a new Leisure Centre on Stychbrook Park is unsuccessful</p> <p><b>Owner: Major Projects Team</b></p>	16 (L4x14)	<ul style="list-style-type: none"> <li>Budget reviewed by external Quantity Surveyor and developed through procurement testing.</li> <li>Revenue based on expert leisure consultants.</li> <li>Existing delegations and reversion to Council for key budget decisions.</li> <li>Major Projects Team with best practice project management methodology including change control.</li> <li>Overview and Scrutiny and Audit Committee oversight.</li> </ul>	9 (L3x13)	4 (L2x12)	<ul style="list-style-type: none"> <li>Regular review of progress by Major Projects Team to the project completion.</li> <li>Post Project Review following project completion by the Major Projects Team.</li> </ul>	<p><b>1<sup>st</sup> Line:</b></p> <ul style="list-style-type: none"> <li>Day to day project planning process.</li> </ul>
							<p><b>2<sup>nd</sup> Line:</b></p> <ul style="list-style-type: none"> <li>Regular monitoring and reporting on progress to Leadership Team and Cabinet.</li> </ul>
							<p><b>3<sup>rd</sup> Line:</b></p> <ul style="list-style-type: none"> <li>External and Internal Audit review.</li> </ul>



### Appendix 3: Strategic Project Risk Register – April 2024

Strategic Plan Link	Risk & Owner	Original Score	Mitigating Controls	Current Score	Target Score	Actions Responsibility / Timescale	3 Lines of Assurance
A good council, developing prosperity, shaping place,	<p><b>SP3: The project to redevelop the Birmingham Road Site is unsuccessful</b></p> <p>The redevelopment will include:</p> <ul style="list-style-type: none"> <li>Demolition of the Multi Storey Car Park.</li> <li>Relocation of the Bus Station.</li> <li>Sale of the Former Garage Site.</li> <li>Redevelopment/Sale of the other areas.</li> </ul> <p><b>Owner: Major Projects Team</b></p>	16 (L4x14)	<ul style="list-style-type: none"> <li>Initial budget set, external Quantity Surveyor involvement and budget refined through procurement/market testing.</li> <li>Revenue budget for delivery.</li> <li>Existing delegations and reversion to Council for key budget decisions.</li> <li>Major Projects Team with best practice project management methodology including change control.</li> <li>Overview and Scrutiny and Audit Committee oversight.</li> </ul>	4 (L2x12)	4 (L2x12)	<ul style="list-style-type: none"> <li>Regular review of progress by Major Projects Team to the project completion.</li> <li>Post Project Review following project completion by the Major Projects Team.</li> </ul>	<p><b>1<sup>st</sup> Line:</b></p> <ul style="list-style-type: none"> <li>Day to day project planning process.</li> </ul>
							<p><b>2<sup>nd</sup> Line:</b></p> <ul style="list-style-type: none"> <li>Regular monitoring and reporting on progress to Leadership Team and Cabinet.</li> </ul>
							<p><b>3<sup>rd</sup> Line:</b></p> <ul style="list-style-type: none"> <li>External and Internal Audit review.</li> </ul>