Pendle Borough Council
STRATEGIC RISK REGISTER (March 2023)

This register details the strategic risks faced by Pendle Borough Council in relation to achieving the key priorities as defined in the Corporate Plan 2023-2027 as well as the day to day operation of the Council. The Council's key priorities and ambitions are as follows:

1. Proud and connected communities

2. Good growth

3. Healthy communities

4. Modern and responsive organisation

Within Corporate Plan the Council has 33 separate Actions which it is looking to deliver plus further milestones as well as Key Performance Indicators which give an overview of Council performance.

The Risk Register is not designed to be exhaustive but can and does highlight key strategic risks faced by the Council and it also notes the current mitigation action being taken to control these risks.

The register is managed and kept under constant review by the Council's Corporate Governance Steering Group with regular reporting to Accounts and Audit Committee and Policy and Resources Committee / the Executive.

The Council uses a risk rating matrix to illustrate a hierarchy of risks at different levels. It allows consideration of how to respond to the identified risks and definition of any counter-measures especially to those risks that are most likely to impede success. All risks evaluated as high probability and high or medium/high impact are very likely to occur and will have a significant impact on the achievement of the Council's priorities.

The Risk Score Model

Likelihood						
A	🟩	🟧	🟧	🟥 (I)	🟥	
B	🟩	🟧 (C)	🟧	🟥	🟥	
C	🟩	🟧	🟧	🟧	🟧	
D	🟩	🟧 (E)	🟧	🟧	🟧	
E	🟩	🟩	🟩	🟩	🟩	
	5	4	3	2	1	
	Impact					

Existing Controls (arrow from I to C), *Actions* (arrow from C to E)

Definitions of Likelihood		Definitions of Impact	
Evaluation	**Level**	**Evaluation**	**Level**
Almost Certain	A	Catastrophic	1
Likely	B	Major	2
Moderate	C	Moderate	3
Unlikely	D	Minor	4
Remote	E	Insignificant	5

Risk Level	Action / Control Required
🟥	Catastrophic / major impact with almost certain to likely likelihood, requiring immediate control measures by Council. This level of risk is outside the Council's tolerance limits and therefore requires immediate action to mitigate the risk.
🟧	Major / moderate impact with unlikely to almost certain likelihood requiring appropriate proactive management and control measures. This level of risk represents the Council's maximum tolerance limits.
🟩	Moderate / minor impact with highly remote to almost certain likelihood requiring appropriate management and control measures. This level of risk is below the Council's tolerance limits.

Inherent Risks (I) are firstly mitigated through existing controls to give a Current Risk (C), then further mitigate through further Actions to give an Expected Risk (E).

Strategic Risk Register – Summary

Risk Code	Corporate Risk Theme	Inherent Risk Score	Current Risk Score	Expected Risk Score
SRR-04	Delivery of the Local Plan	A2	A2	C3
SRR-06	Delivery of key Government Programmes and Major Capital Projects	B2	B2	C3
SRR-07	Political Balance / Stability	A2	A2	B3
SRR-09	Achievement of carbon neutral targets	A2	A2	A2
SRR-01	Financial Sustainability	B2	B2	B2
SRR-02	Organisation's Internal Capacity to Deliver	B2	B2	C3
SRR-10	Safeguarding of residents	B2	B2	C2
SRR-11	Public Health	B2	B2	C2
SRR-12	Local Workforce Skills development	B2	B2	B2
SRR-03	Effective ICT Systems and Cyber Security and Information Governance	B2	B2	C3
SRR-08	Ability to deal with extreme weather and civil contingencies	C2	C2	C3
SRR-05	Effective Contract Performance Management	B2	C3	D4

Inherent Risk: The risk before considering existing controls
Current Risk: The risk after considering existing controls
Expected Risk: The risk after considering agreed actions that have not yet been implemented
Targeted Risk: The desired optimal level of risk (not shown)

For each area, the Inherent Risk will be the highest risk with any action or potential action put in place to mitigate the risk and reduce the overall Risk Score. Note that the Target Risk is not shown as the aim is always to minimise as far as possible and this may not be possible in all case due the nature of the risk.

Risk Code	Corporate Category	Risk Owners	Risk Score	
SRR-01	Financial Sustainability	Director of Resources Financial Services Manager	**Inherent Score**	**B2**
			Current Score	**B2**
			Expected Score	**B2**

Description	Issues
The Council's ability to set a balanced Medium-Term Forecast and annual revenue and capital budgets.	Local Government cannot control its income levels which are predominately set by Central Government. This limits the extent to which the Authority can respond to its finical constraints.

Causes	Consequences
- Central Government funding policy and level of grant funding payable to Local Government - Impact of Cost-of-Living Crisis on residents and ability to generate Council Tax. - Cap on Council Tax increases. - Management of external factors such as COVID, increasing inflation rates, borrowing costs and energy costs, etc). - High levels of pay inflation	- Council Budget is set with Use of Reserves required to bridge funding gap. - Reduction in Council Reserves year on year. - Potential Section 114 Notice requirement in future years. - Additional scrutiny from Central Government.

Mitigations / Controls	RAG Rating	Actions	Target Date
Management of Revenue & Capital Budget via Quarterly revenue and budget monitoring	🟩	Stakeholders engagement in the development of the Corporate Plan 2023-27	February 2023
Treasury Management Reports to Accounts and Audit Committee, Executive and Council	🟩	Engagement with Members to enable informed and timely decision making	February 2023
Section 151 Officer Sign off for Robustness of Estimates, Statement of Accounts and Grant returns.	🟩	Fees & Charges Policy Signed Off	November 2022
Training and Support to Budget Holders	🟧	Ongoing Budget Reviews with Budget Holders	
Contingency Arrangements built into financial planning & management routines to provide budget resilience	🟩	Transformation Report Finalised.	May 2023
Transformation Programme to review services and to help to find efficiencies.	🟩		

Risk Code	Corporate Category	Risk Owners	Risk Score	
SRR-02	Organisation's Internal Capacity to Deliver	Chief Executive	**Inherent Score**	B2
		Director of Resources	**Current Score**	B2
		Director of Place	**Expected Score**	C3

Description	Issues
The Council's ability to deliver critical services due to staff vacancies, turnover and absence and ineffective decision making processes. Ability to recruit and retain the right people with the right skills and behaviours in the right job at the right time.	Wider employment market and skill shortage in some areas has increased staff turnover in key areas. Local Authorities operate in wider market place.

Causes	Consequences
• Wider macro economic factors post Covid • Cost of living crisis forces staff to look for new roles • Certain key skills in shortage across the market • Higher % of vacancies in some departments • High % of temporary staff in some departments • Long term absence rate increase	• Failure to deliver on statutory duty • Failure to deliver on key projects such as the UK Shared Prosperity Fund, Nelson Town Deal and Colne Levelling Up • Become a designated planning authority

Mitigations / Controls	RAG Rating	Actions	Target Date
Workforce Development Strategy to enable improved long term planning of workforce	🟩	Director of Place in post	Feb 2023
Re-instatement of the Personal Development Review process (inc PDRs)	🟩	Staff Briefings planned and delivered	Mar 2023
Review of Employee Benefits Package to help retention	🟧		
Dynamic IT and Digital Strategies in place to support hybrid working.	🟩		
Use of Attendance Policy monitored and remedial action taken where necessary	🟩		
More effective communication with staff to enable understanding of the Corporate Plan priorities	🟩		

Risk Code	Corporate Category	Risk Owners	Risk Score	
SRR-03	Effective ICT Systems and Cyber Security and Information Governance	Director or Resources Head of Legal Services	**Inherent Score**	B2
			Current Score	B2
			Expected Score	C3

Description	Issues
The Council's ability to ensure effective information governance arrangements are in place to make sure that personal data is secure and that an individual's right to privacy is protected. To minimise the Council's cyber risk.	The Council operates within a wider cyber security context.

Causes	Consequences
• Cyber Security incident affects Council's ability to deliver critical services. • Ineffective operational resilience. • Human error due to a lack of awareness, training and resource to prevent cutting corners • Ineffective information governance arrangements resulting in data retention breaches	• Data Protection Breach • Cyber security incident resulting in loss of data and reputational damage • IT systems not being used to their full potential, impacting on resource and resilience. • Failure to do so could lead to financial and/or reputational damage to the Council.

Mitigations / Controls	RAG Rating	Actions	Target Date
IT & Digital Strategies in place	🟩	Information Security Handbook reviewed and approved by CGSG and circulated to staff	Mar 2023
Cyber Treatment Plan in place and being delivered	🟧	Cyber Treatment Plan fully delivered (c90% delivered as at Feb 2023)	July 2023
BCPs / IT Disaster Recovery Plan regularly tested, reviewed and updated	🟧	IT Strategy 2023 onwards under development	May 2023
Cyber and Information Security Training platform in use with regular reports on compliance reported to the Council's CGSG	🟧	Digital Strategy to be reviewed when Digital Customer Journey Lead in post	July 2023
Records Management Controls in respect of maintenance of Information Asset Register (IAR) and Record of Processing Activity (ROPA)	🟥	Annual plan to be devised for BCP and IT Disaster Recovery Plan testing	May 2023
Council has appointed Data Protection Officer to govern risk via the Corporate Governance Steering Group	🟩	Some amendments to BCP required to capture recommendations from recent internal audit reviews	April 2023
		IAR and ROPA to be reviewed and updated	May 2023

Risk Code	Corporate Category	Risk Owners	Risk Score	
SRR-04	Delivery of the Local Plan	Director of Place	**Inherent Score**	A2
		Planning, Economic Development & Regulatory Services Manager	**Current Score**	A2
			Expected Score	C3

Description	Issues
The Council's ability to deliver an updated Local plan.	

Causes	Consequences
• Resource challenges • Challenging public sector landscape and central funding uncertainty • Lack of data • Director of Place vacancy	The Local Plan is not fit for purpose (not the right plan for the area) resulting in Corporate Priorities not being achieved

Mitigations / Controls	RAG Rating	Actions	Target Date
Steering Group for Local Plan to give oversight and governance in order to meet targets – Monthly meeting			
Changes in Government Planning Policy are being consulted on and these will be reported to Committee to help steer the Plan through the changes.			
Planning Process Information			
Data and Information Used to Guide and Design Local Plan			

Risk Code	Corporate Category	Risk Owners	Risk Score	
SRR-05	Effective Contract Performance Management	Director of Resources	**Inherent Score**	B2
			Current Score	C3
			Expected Score	D4

Description	**Issues**
The Council's ability to ensure value for money is delivered from the Council's key high value contracts (Liberata UK Ltd and Pendle Leisure Trust).	There is a risk that the Council's performance management framework is ineffective and doesn't provide the right information to inform effective and timely decision-making.

Causes	**Consequences**
• Ineffective Contract documents and service agreements • Ineffective KPI's • Uncoordinated Strategic goals between organisations • Lack of Client capacity to effectively manage the Contract	• The Council is unable to deliver the required savings and efficiencies resulting in increased costs(could a price or estimate be given to the consequence to provide scale) • Inability to make well informed future proof decisions

Mitigations / Controls	**RAG Rating**	**Actions**	**Target Date**
Routine Client meetings held at regular intervals to discuss and review performance & service delivery	🟩	Leisure Review completed, recommendations made and action plan agreed	TBC
Performance frameworks in place subject to annual review	🟩	Liaise with PLT to review the overall financial position of PLT resulting in a 3yr MTFP to sit alongside PBC MTFP	Feb 2023
Liberata Service Transformation Reviews completed and implemented	🟧	Annual Liberata Service Reviews commenced	Jan 2024
Liberata Performance Management Framework in place	🟥	Joint Partnership Board meeting held	March 2023

Risk Code	Corporate Category	Risk Owners	Risk Score	
SRR-06	Delivery of key Government Programmes and Major Capital Projects	Director of Place	**Inherent Score**	B2
			Current Score	B2
			Expected Score	C3

Description	Issues
The Council's ability to deliver on the agreed major programmes and projects as planned, within budget and within timescales is reliant on having the right people in the right jobs in place: • LUF • Nelson Town Deal • UKSPF • Joint Venture (JV) Partnership Schemes • The creation of new cemetery facilities in Nelson	• Lack of clear project scope and project plan creates delays in delivery. • Changes in key personnel leading to delays in delivery.

Causes	Consequences
• Loss of critical staff affecting the ability to deliver key projects	• Reputational damage with communities, public and partnerships • Loss of grant funding and investment

Mitigations / Controls	RAG Rating	Actions	Target Date
Nelson Town Deal Board established and meets regularly		Review staffing resource due to loss of Project/Programme Management staff	
Nelson Town Deal project Business Cases externally appraised		Capital Appraisal documents completed for all Schemes	
PenBrook JV established to deliver key Nelson Town Deal projects		Government returns completed for all schemes.	
Project and JV Working Groups meet regularly			
Project/Programme Management staffing resource established			
Consultants procured through a tendering process to assist with delivery of Cemetery facilities project and internal PBC /Liberata working group set-up			

Risk Code	Corporate Category	Risk Owners	Risk Score	
SRR-07	Political Balance / Stability	Chief Executive	**Inherent Score**	A2
			Current Score	A2
			Expected Score	B3

Description	Issues
The Council's ability to deliver effective decision making by Members. Failure to achieve strong political balance and buy-in will affect the decision making processes, hindering delivery of key projects / corporate priorities.	Pendle has a balanced political base which has seen the control of Council change over recent years.

Causes	Consequences
• Inability to achieve a strong political balance and buy in • Insufficient training and support to enhance the decision-making process	Hindering delivery of key projects (such as, UKSPF, LUF, Town Deal)/ corporate priorities. (e.g. responding to the recommendations of the Leisure Review?)

Mitigations / Controls	RAG Rating	Actions	Target Date
Member briefings in place		Constitution review undertaken, including Code Of Conduct	March 2023
Delivery of a relevant, responsive and effective Member training programme		May Elections – may change the political balance.	May 2023
Encourage Group leaders and Members to work together – how?			
Member Code of Conduct in place, subject to annual review			
Governance & Committee Framework/ Structure			

Risk Code	Corporate Category	Risk Owners	Risk Score	
SRR-08	Ability to deal with extreme weather and civil contingencies (such as a pandemic)	Director of Place Environmental Services Manager	**Inherent Score**	C2
			Current Score	C2
			Expected Score	C3

Description	Issues
Sufficiently robust BCP and EP arrangements not in place placing the Council at high level of risk. It is likely that extreme weather impacts on delivery of day-to-day services and on our vulnerable residents will become more prevalent in coming years.	As a District Council, PBC has access to fewer resources than larger Authorities.

Causes	Consequences
• Climate Change is cause more extremes in weather, e.g. heat, cold and flooding • Pandemic re infectious diseases	Impact on infrastructure (roads/ highways/ vulnerable people/ front door services).

Mitigations / Controls	RAG Rating	Actions	Target Date
Annual schedule developed and agreed to test, review and update BCP, DR and EP policies and processes.		Consider formalising the stand-by officer arrangements for EP – currently relies on goodwill and so is a weakness in our arrangements currently.	Mar 2023
Attendance at LRF Winter Energy Risk Briefings when required		Actions for PBC delivered as identified from the debriefs from Op Goshawk	TBC
Local Civil Emergency Plan updated as required, e.g. when organisational changes are made		Annual schedule to be agreed to test, review and update BCP, DR and EP policies and processes.	TBC
PBC took part in Lancashire wide exercise Operation Goshawk in November 2022			

Risk Code	Corporate Category	Risk Owners	Risk Score	
SRR-09	Achievement of carbon neutral targets by 2030	Director of Place	**Inherent Score**	A2
			Current Score	A2
			Expected Score	A2

Description	Issues
The Council's ability to meet national Carbon Neutral targets. Additional Factors: - Continuation of Services (E Fleet, Blackouts…) - Estate Energy procurement - Capital Procurement of Renewables - Insulation of Estate	This is very ambitious target which doesn't currently permeate through all Council decisions.

Causes	Consequences
• Lack of experience and skills to drive transformation • Funding and budget for transformation is not identified / available • Capacity and resource	• Financial penalty for not achieving targets • Reputational Damage • Long term impacts of climate change

Mitigations / Controls	RAG Rating	Actions	Target Date
Agile Working Policy results in a reduction in carbon emissions as workers commutes have been reduced.		Review of Council Fleet to take place to ascertain the viability of procuring Electric Vehicles and charging stations.	TBC
New energy contract secured for Leisure Centres		Strategic Leisure Review to consider low carbon and sustainable design options for any new facility	Sept 2024
Use of HVO (Hydro-treated Vegetable Oil) in vehicle fleet	(green)	Climate Emergency Action Plan development	TBC
Internal annual carbon reduction targets in place (but are they achieved?)	(green)	Energy Efficiency of the Council's buildings assessed and programme of works agreed to achieve carbon neutral targets where possible	TBC
Annual Carbon Emissions Report produced	(green)		
Local Plan responds to carbon reduction / carbon neutral targets			

Risk Code	Corporate Category	Risk Owners		Risk Score	
SRR-10	Safeguarding of residents	Director of Resources Localities & Policy Manager		**Inherent Score**	B2
				Current Score	B2
				Expected Score	C2

Description	Issues
The Council needs to ensure that all employees are aware of the organisation's responsibilities in relation to safeguarding children and vulnerable adults.	• Life in Pendle survey highlighted residents' concerns around safeguarding incidents witnessed in their communities. • Safeguarding cases highlighted in the media following police investigations

Causes	Consequences
• Lack of Training & Awareness • Lack of resource and capacity increasing errors • Increasing inequalities in communities increasing pressure on front door services	• Safeguarding breach • Moral and ethical considerations • Reputational Damage

Mitigations / Controls	RAG Rating	Actions	Target Date
All Staff undertook cascaded Safeguarding Training (basic awareness) in September 2022		Manage & develop the Pendle Holiday, Activities & Food Programme	March 2023
Identified front-line staff undertook Safeguarding Level 2 Training in November (face-to-face)		Continue to deliver the Council's safeguarding priorities	Ongoing
Safeguarding training (for new drivers and as a 3yr refresher) delivered to taxi drivers via an online package		Annual Pendle Health & Wellbeing Plan developed for 2023/24	March 2023
Development & governance of an annual Pendle Health & Wellbeing Plan		Develop & deliver Action Plan in response to lessons learned post-COVID	TBC

Risk Code	Corporate Category	Risk Owners	Risk Score	
SRR-11	Public Health	Director of Place	**Inherent Score**	B2
			Current Score	B2
			Expected Score	C2

Description	Issues
The Council's ability to respond to public health challenges.	- High number of terraced housing in certain parts of the borough - High levels of Deprivation - DFG programme – backlog and underspending

Causes	Consequences
- Cramped housing causes Pest Control issues in some areas - Low levels of street cleanliness	- Higher levels of infant mortality - Pendle is the 36th most deprived area out of 317 district and unitary authorities in England and 5th most deprived district in Lancashire (IND 2019)

Mitigations / Controls	RAG Rating	Actions	Target Date
Programmes we deliver, i.e. UKSPF, Town Deal have health dimensions		Improve the economic performance of the Borough to improve living conditions – how is this quantifiable? How can we do it? Will take years and will.	
Health and Wellbeing Plan / Programme produced (LPU)		Improve the Pest Control Service in terms of real time reporting	
Increase Pride in Place			

Risk Code	Corporate Category	Risk Owners	Risk Score	
SRR-12	Local Workforce Skills development	Director of Place	**Inherent Score**	B2
			Current Score	B2
			Expected Score	B2

Description	Issues
Skills shortage, poor educational attainment, poor housing, etc can all have negative impacts on the local economy.	

Causes	Consequences
- Deprivation in the local area (unemployment) - Pendle has one of the lowest average Attainment 8 scores in Lancashire - Lack of local employment and regeneration and economic growth in the area - Almost 3 in 10 jobs in Pendle are in the manufacturing sector, which is significantly higher than the national figure of 8% - There are fewer professional jobs in Pendle (4%) when compared with the national average (9%)	- Pendle is the 36th most deprived area out of 317 district and unitary authorities in England and 5th most deprived district in Lancashire (IND 2019) - Skill shortage - Loss of local economic growth

Mitigations / Controls	RAG Rating	Actions	Target Date
Kickstart programme undertaken which provided real life work placements for long term unemployed people.		Ensure we pursue opportunities that arise which will have a positive impact on the development of local workforce skills & employability of long-term unemployed local people, e.g. the Kickstart scheme	Ongoing
PBC continue to pursue apprenticeships to upskill our staff, e.g. from labourers to Cat C drivers.		Foster / Support / Facilitate working with partners, local businesses and education providers to understand and address the skill shortage in Pendle	TBC
Youth Employment Support (YES) Hub in operation in Nelson run by Active Lancashire			
Effective utilisation of the Apprenticeship Levy			
Economic Recovery and Growth Strategy 2021-26			
Pendle Challenge / Raising Aspirations Programme?			