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| <b>REPORT TO:</b>              | <b>AUDIT AND GOVERNANCE COMMITTEE</b>  | <b>AGENDA ITEM: 9</b>           |
| <b>DATE OF MEETING:</b>        | <b>03 DECEMBER 2025</b>  | <b>CATEGORY: DELEGATED</b>      |
| <b>REPORT FROM:</b>            | <b>EXECUTIVE DIRECTOR – RESOURCES AND TRANSFORMATION</b>   | <b>OPEN</b>                     |
| <b>MEMBERS' CONTACT POINT:</b> | <b>CHARLOTTE JACKSON, HEAD OF FINANCE AND PERFORMANCE (DEPUTY SECTION 151 OFFICER)</b><br><a href="mailto:Charlotte.jackson@southderbyshire.gov.uk">Charlotte.jackson@southderbyshire.gov.uk</a> | <b>DOC:</b>                     |
| <b>SUBJECT:</b>                | <b>RISK MANAGEMENT UPDATE QUARTER 2 2025-2026</b>  |                                 |
| <b>WARD(S) AFFECTED:</b>       | <b>ALL</b>   | <b>TERMS OF REFERENCE: AG01</b> |

## **1.0 Recommendations**

1.1 Members consider the Report and Strategic Risk Register (as set out at Appendix A)

## **2.0 Purpose of the Report**

2.1 To present the Strategic Risk Register to Committee for information and consideration.

## **3.0 Executive Summary**

3.1 In accordance with the requirements of the Council's Risk Management Framework, this report presents the Strategic Risk Register for the Committee's consideration. The register is updated on a regular basis through discussions with risk owners and the Leadership Team.

## **4.0 Detail**

### **Approach**

4.1 In line with the Risk Management Framework which was submitted for consultation purposes to the Audit Sub Committee and for approval to Finance and Management Committee in June 2024, this report presents the Strategic Risk Register in Appendix A.

4.2 The Risk Management Group have reviewed the Strategic Risk Register, undertaking an independent and objective critical review, before the Leadership Team review and sign off.

- 4.3 Operational risks continue to be monitored and managed by the Council, with the Operational Risk Registers managed within service areas, with Heads of Service maintaining ultimate responsibility.
- 4.4 This section will present a summary of the changes made to the strategic risks during the quarter and will highlight key movements in scores from the position reported in the previous quarter. The risks with an amended risk rating score have been prioritised and placed at the top of this report to ensure the updated status is highlighted for review.

**SR5 - Decreasing Financial resources/Increasing Financial Pressures.**

The inherent and mitigated risk scorings have increased to reflect a more probable adverse financial impact because of the Fair Funding Review 2.0 consultation, more detail is expected at the end of October/early November, when MHCLG publish the consultation response and the Local Government Finance Policy Statement. Future actions to assess the Council's financial position against the government's anticipated plans published as part of Fair Funding consultation, has been moved to an existing mitigating action as this is now complete. The future action to review the HRA 30-year business plan and cashflow model has been updated to confirm the plan will be presented to Housing and Community Services, 20 January 2026.

**SR1 – Contract are not properly procured/managed.**

The review of the Procurement Strategy has been completed. This has now been moved from future actions to progress into the mitigating actions section of the risk.

**SR2 Effective use of assets/buildings (non-housing.)**

The actions identified for future progression have been updated to confirm a business case is due to be taken to Finance and Management Committee on the 20 November 2025, for the project to review depot operations.

**SR4 - Organisational/Transformational Change.**

The mitigating and future actions around the review of the Transformation Team resources have been updated to acknowledge progress to date.

**SR6 - Economy/Regeneration.**

The mitigating actions have been updated to confirm the UKSPF/REPF programme commenced in August following receipt of agreement from EMCCA. East Midlands Freeport and East Midlands Investment Zone partnerships have been referenced in the mitigating action to for active participation in the Economic Group.

**SR7 – Cyber Security**

The mitigating actions have been updated to advise changes made to the security permissions in SharePoint for officers sharing data outside of the Council. Officers will now need Head of Service approval (as the Information Asset Owner) to add an external email address to a SharePoint site. The actions identified for future progression have been updated to advise the ICT department has been working with a third-party security consultant in implementing more logging software and data control tools.

**SR9 - Insufficient resources due to unplanned/unforeseen absences/vacancies.**

The future action to support the regional review of the 2025-2026 LGA National Recruitment Campaign has been actioned and moved from future actions to the mitigating actions section. The ICT structure has been reviewed in-line with corporate employment

and operating model; this action has been moved from the future actions section to mitigating action.

**SR10 – Staff lone working including out of hours.**

The future action to clarify the expectation of staff to assist in emergency situations has been actioned with the production and publication of the Corporate Business Continuity Plan and service areas plans, this has been moved from the future actions section of the risk to the mitigating actions section.

**SR11 - Council is subject to fraud, corruption or theft.**

The Fraud Awareness Raising Campaign was launched in August 2025, with the Communications Team and Derby City Council. This has now been transferred from the future action to the mitigating actions section.

**SR13 – Reputational Damage.**

The future action to develop a Communications Champions Network has been completed with the group now established and training provided to officers. This action has been moved from future actions to mitigating actions. The future action to develop a corporate protocol for the approval of media responses, has been updated to confirm the protocol has been developed and will be presented to Leadership Team of approval in quarter 3, 2025/26. A future action to review the Whistleblowing Procedure has been added to the risk in quarter 2 and this is due to be completed in quarter 3.

**SR15 Failure to meet Regulatory Standards for Housing.**

The mitigating actions have been updated to confirm the new Tenant Engagement Strategy and new policy for Damp, Mould and Condensation Policy have been approved. In addition, the Repairs Policy and Compliance policies have been reviewed and approved. The future actions have been updated to confirm the target date to recruit to the new Housing staffing structure has been extended from July to November, to recruit to the two remaining posts for Housing Officers and the target date to undertake all stock condition surveys has been extended from July to November to progress the remaining 9% of 'no access' properties. The future action to commence the IT Project in Housing Services and assess the LGR implications has been replaced with an action for all tenant data across all council properties to be reviewed and updated in the housing system to ensure it is up to date. A future action has been added to confirm a progress update on the Housing Service Transformation Plan will be reported to Housing & Community Services Committee on the 13 November 2025.

**SR16 Local Government Reorganisation.**

The future action for members, officers and Trade Unions to be presented with regular updates on the progress of LGR and regular engagement with the workforce through colleague briefings and the employee forum have been moved to the mitigating actions. The future action to undertake the Quarter 1 Employee survey has been completed and an overview of results to identify trends and further actions is due to be presented to Leadership Team in quarter 3, 2025/26. The future action around the establishment of internal project team has now been completed and moved to an existing mitigating action.

4.5 The Strategic Risk Register contains 16 risks. No risks have been added or removed from the register during the quarter.

- 4.6 The mitigated scores for all risks are visually represented by the arrows shown in the far-right column “Direction of Travel of mitigated risk score”.
- 4.7 Changes that have been made to existing controls, management actions and target dates, are detailed in the ‘Summary of change since last quarter’ column of the Risk Register.

## **5.0 Financial Implications**

- 5.1 There is no direct financial impact as a result of this report.

## **6.0 Corporate Implications**

### **Employment Implications**

- 6.1 There are no employment implications arising from the contents of this Report.

### **Legal Implications**

- 6.2 There are no direct legal implications arising from the contents of this Report.

### **Council Plan Implications**

- 6.3 The Risk Management Framework and Strategic Risk Register supports the delivery of the Council Plan 2024-2028.

### **Risk Impact**

- 6.4 The Strategic Risk Register for the Council is detailed in Appendix A.

## **7.0 Community Impact**

### **Consultation**

- 7.1 During quarter one, the Strategic Risk Register has undergone consultation with the Leadership Team and the Risk Management Group.

### **Equality and Diversity Impact**

- 7.2 There are no implications arising from this Report.

### **Social Value Impact**

- 7.3 There are no implications arising from this Report.

### **Environmental Sustainability**

- 7.4 There are no environmental sustainability implications directly arising from the contents of this Report.

## **8.0 Conclusions**

- 8.1 The Strategic Risk Register has been updated by the risk owners and approved by the Leadership Team. No operational risks have been escalated by the Heads of Service for consideration for inclusion in the Strategic Risk Register for the quarter.

## **9.0 Background Papers**

- 9.1 [Risk Management Framework, Audit Sub Committee – 19<sup>th</sup> June 2024.](#)  
[Risk Management Framework, Finance and Management Committee – 20<sup>th</sup> June 2024](#)

## **10.0 Appendices**

Appendix A - Strategic Risk Register