

TEWKESBURY BOROUGH COUNCIL

Report to:	Audit and Governance Committee
Date of Meeting:	24 March 2021
Subject:	Corporate Risk Register
Report of:	Head of Corporate Services
Corporate Lead:	Chief Executive
Lead Member:	Lead Member for Corporate Governance
Number of Appendices:	One

Executive Summary:

The Council has a risk management framework and this is set out in the Council's approved risk management strategy. Risk management is an intrinsic element of good, effective management and should not be seen as a 'bolt on'. The strategy sets out the risk management approach around the identification, analysis, prioritisation and management of risk. A key element of the strategy is capturing key corporate risks through a Corporate Risk Register. This register is presented at each Audit and Governance Committee though reporting in 2020/21 has been limited as a result of the Council's response to COVID-19.

Recommendation:

To CONSIDER the risks contained within the Corporate Risk Register and assurance that the risks are being effectively managed.

Reasons for Recommendation:

Risk management is an integral part of the Council's overall governance framework. It is within the Terms of Reference of the Audit and Governance Committee to gain assurance that key risks are effectively managed.

Resource Implications:

None arising directly from this report.

Legal Implications:

None arising directly from this report.

Risk Management Implications:

If the Council does not have in place a Corporate Risk Register then it cannot demonstrate that corporate risks are formally considered, scored and managed.

Performance Management Follow-up:

The Corporate Risk Register is considered at each Audit and Governance Committee and prior to this by Corporate Management Team.

Environmental Implications:

None.

1.0 INTRODUCTION/BACKGROUND

1.1 The Council's risk management strategy formalises the Council's risk management arrangements and sets out the risk management approach around the identification, analysis, prioritisation and management of risk. A key element of the strategy is the maintenance of a Corporate Risk Register that captures the Council's key corporate risks. The register is a high level document to record in a proportionate manner the key risks facing the Council, their risk score and high level management controls that are in place to manage individual risks. The scoring matrix within the strategy provides guidance on scoring those risks.

2.0 CORPORATE RISK REGISTER

2.1 The register is a useful tool to demonstrate in a concise manner that corporate risks are being considered and managed. The headings within the register and the scoring of risk are all detailed within the risk management strategy. Succinctly, the scoring is based around three stages:

- Gross risk score (the inherent risk without any mitigating controls in place).
- Current risk score (the assessed risk after the application of controls).
- Target risk score (proposed risk score by applying future controls, if the current risk score is deemed to be too high).

2.2 The format of the register is one which is commonly used throughout local government. There is no statutory requirement to have a register in place but is seen as good practice. It also helps the Audit and Governance Committee fulfil its risk management responsibilities. Internal audit would normally support the Audit and Governance Committee in gaining assurance that the risks are being effectively managed. Days are allocated within the Internal Audit Work Plan to review the register and give assurance to the committee around such things as:

- Is the register complete? Are there any risks missing?
- The controls detailed in the register – are they actually in place and working effectively?
- Future actions – is there assurance they will be implemented within appropriate timescales?

As reported to Audit and Governance Committee over the course of the last year, the internal audit team have been re-deployed to the Council's response to COVID-19 and their work plan has been suspended since April 2020. Therefore, at present independent assurance cannot be given on the effectiveness of mitigating controls. On a positive note, at least one of the internal audit team will be deployed back to internal audit with effect from April 2021.

2.3 The risk register template includes a ‘comments’ box below each risk. This provides opportunity for each risk owner to provide an update on the status of that risk. For example, if the risk score has been downgraded as a result of effective control action being implemented or, alternatively, if the risk score has increased. An increase could happen through a number of scenarios, for example if an internal audit concluded that a mitigating control is not effective.

2.4 The risk register is presented at Corporate Management Team on a monthly basis and further reviewed by the Corporate Governance Group; this group is chaired by the Borough Solicitor. The risk register can be found in Appendix 1.

3.0 KEY UPDATES ON THE REGISTER

3.1 Summarised below are key updates arising since the register was last presented at Committee:

Risk identified	Key update arising
Ref 1 & 2 - Financial sustainability	<p>As reported to the wider membership when seeking approval for the medium term financial strategy and budget the future financial landscape remains challenging and uncertain. Through the Spending Review, the Government has given notice of the withdrawal of the New Homes Bonus which will eventually lead to a loss of £3.7m of funding. A consultation paper has been published about the options for a replacement scheme but no firm direction of travel can yet be established. We still await clarity on a number of central funding streams including revenue support grant, fair funding review and the future of business rates. Questions are also now being raised around the suitability of Council Tax going forward.</p> <p>The delivery of retained business rates as a result of growth has been greatly affected by the impact of coronavirus on our business sector despite some business growth in the Borough.</p>
Ref 7. Waste Service	<p>The extension to the Ubico contract has been agreed by Council. The new contract will run for five years from the 1 April 2022. This contract extension provides Ubico with stability and they will be able to take forward some of the work identified to further build the company.</p>
Ref 9. Safeguarding	<p>An update on both the Council’s safeguarding arrangements and county led arrangements were provided in December to Audit and Governance Committee. The Council’s Section 11 assurance statement was submitted for review and feedback is awaited.</p>

Ref 10. Assets	The Council's investment portfolio has fared very well in the current climate. Additionally, a lease has been agreed for the Cleeve Hill golf club that secures its long term future and realises a significant private investment in the facilities. The Council has also been successful in obtaining grant funding for the replacement of its heating system at the Council Offices.
Ref 11. Growth Hub	For Committee to note, a Growth Hub presentation will be given to Overview and Scrutiny Committee in April. This will cover how the hub has worked in a virtual environment and supported businesses during the COVID-19 pandemic.
Ref 13. Garden Town	The highest risk in this regard, is further delay to the JCS Review. The review is vital in providing an important policy context for the Garden Town and the means to safeguard the Programme's future and the role it will be able to play in helping to bring forward sustainable and well managed growth in the Borough.
Ref 15. Delivery of priorities (Covid-19)	The government's recently announced roadmap out of lockdown represents a positive step nationally in terms of recovery. Management team are currently aligning the council's relevant recovery actions to this roadmap as it contains key dates around potential re-opening of buildings etc.

4.0 OTHER OPTIONS CONSIDERED

4.1 None.

5.0 CONSULTATION

5.1 None.

6.0 RELEVANT COUNCIL POLICIES/STRATEGIES

6.1 Risk Management Strategy.

7.0 RELEVANT GOVERNMENT POLICIES

7.1 None.

8.0 RESOURCE IMPLICATIONS (Human/Property)

8.1 None.

9.0 SUSTAINABILITY IMPLICATIONS (Social/Community Safety/Cultural/ Economic/ Environment)

9.1 None.

10.0 IMPACT UPON (Value For Money/Equalities/E-Government/Human Rights/Health And Safety)

10.1 Mitigation of risk will help the Council achieve its objectives.

11.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS

11.1 None.

Background Papers: None.

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Appendices: Appendix 1 – Corporate Risk Register.