

TEWKESBURY BOROUGH COUNCIL

Report to:	Audit and Governance Committee
Date of Meeting:	21 July 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:	1

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. The latest register can be found at Appendix 1.

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. The latest register can be found at Appendix 1.

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).

It should be noted that the main focus should be on the risk description and the mitigating controls rather than to challenge the risk scores as these are only indicative. It is the assurance on the management of the controls which is important.

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 supports 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?

- 2.3** As reported to Audit and Governance Committee over the course of the last year, the Internal Audit team has been re-deployed to the Council’s response to COVID-19 and its 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, one of the Internal Audit team has been deployed back to internal audit with effect from July 2021.
- 2.4** 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.
- 2.5** The risk register is presented at Corporate Management Team on a regular basis and further reviewed by the Corporate Governance Group; this group is chaired by the Borough Solicitor.

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	As has been widely reported to Members, 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. We still await clarity on a number of central funding streams including revenue support grant, fair funding review and the future of business rates.
Ref 4. Business Continuity	Later in the calendar year, we will work with the Civil Protection Team to review our corporate business continuity plan and individual service plans.
Ref 5. General Data Protection Regulation	The action plan is progressing well including the recent purchase of new online training, a comprehensive communications plan, redaction training for nearly 45 staff is being set up, draft mailbox usage policy is due for consideration by management team, and any data breaches continue to be investigated promptly. An annual report on the adequacy of the Council’s GDPR arrangements will be presented to Committee in December.
Ref 7. Waste Service	Internal client monitoring arrangements have been bolstered over the last six months with the appointment of two new contract officers. A key role will be to gain assurance and challenge Ubico where appropriate over the effectiveness of service delivery and to support the delivery of key projects.

Ref 11. Growth Hub	For Committee to note, a Growth Hub presentation was given to Overview and Scrutiny Committee in April and very positively received. This covered 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 16. Carbon Neutrality (new risk)	This has been added by the Head of Finance and Asset Management to acknowledge the challenge of achieving the wider countywide ambition. Good progress has been made in the first year regarding actions which fall within the direct control of the Council. An update of the year one action plan and a proposed year two action plan was considered by Executive Committee on 7 July 2021. The report also included a recommendation to include within the Council's base budget a dedicated resource to support delivery of the action plan. This recommendation was supported by Executive Committee and will now go to Council for approval.

- 3.2** In terms of scanning the horizon for potential risks, one that has recently emerged and will be considered for inclusion within the register by Corporate Management Team is the recent Department for Environment Food and Rural Affairs (DEFRA) consultation on the consistency of waste collections. Included within the paper is a proposal to improve the quantity and quality of household recycling. The consultation proposes a "core set" of dry recycling materials that local authorities will be mandated to collect from households. Co-mingled collections, the Council's current collection method are viewed as a 'last resort' within the consultation. This would require changes such as new vehicles, new containers and reconfiguring rounds. Also included within the consultation, is that local authorities should provide a free minimum fortnightly collection of garden waste. Local authorities would be able to charge for more frequent collections and/or additional capacity. DEFRA propose that all local authorities will have to arrange for the free collection of garden waste for recycling in the 2023/24 financial year. DEFRA is also consulting on three alternatives to a having to provide a free service. The financial implications to the Council would be significant and compound the reported risk on financial sustainability.

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 (July 2021)