

Title of report: Corporate Risk Register

Meeting: Audit and governance committee

Meeting date: Tuesday 16 March 2021

Report by: Head of Corporate Performance

Classification

Open

Decision type

This is not an executive decision

Wards affected

(All Wards)

Purpose

To consider the status of the council's Corporate Risk Register in order to monitor the effectiveness of risk management within the Performance Management Framework.

Recommendation(s)

That:

The committee determine any recommendations it wishes to make to ensure effective risk management

Alternative options

1. The committee could choose not to review the corporate risk register. This is not recommended as regular monitoring should provide assurance that risk is being managed effectively within the council.

Key considerations

2. In accordance with the recently updated Performance Management Framework (PMF) and Risk Management Plan, it is the committee's role to ensure that risk management is effectively managed and in line with the processes set out in the PMF.
3. Risks within the council are identified and scored based on their likelihood and impact, using the methodology identified within the council's Risk Management Plan. Risks are reported at relevant levels based on their residual, or current state, score. The council's Corporate Risk Register holds the highest risks across the organisation; the table below confirms the level of risk based on its score. This score also identifies the level of monitoring required, as well as the action necessary.

	Green	Yellow	Amber	Red
Score	1 – 4	5 – 8	9 – 15	16 – 25
Register*	Service		Directorate	Corporate
Action	Unlikely	Might	Should	Must
Review frequency	Quarterly	Monthly	Monthly	Monthly

* Risks that appear on the corporate and directorate risk registers must also appear on their relevant service risk registers

4. It is the responsibility of risk owners to ensure that risk scores are regularly reviewed and updated where necessary.

Current Risks

5. The heat map below shows the current risks on the corporate risk register and their risk score after controls as at the end of January 2021. Risk references and full details of the risks can be found in appendix a.

Corporate Risk Register - January 2021

		IMPACT			
		4		5	
LIKELIHOOD	5	CRR.04 ↑ CRR.52 -		CRR.39 -	
	4	CRR.50 - CRR.51 ↓ CRR.57 ★ CRR.58 ★		CRR.03 -	
		Directorate RR (9 - 15)	Service RR (5 - 8)	Service RR (1 - 4)	Closed
		CRR.45 D CRR.46 D CRR.55 D	CRR.54 D		CRR.09 CRR.31 CRR.33 CRR.47 CRR.48 CRR.49 CRR.53 CRR.56

- = No Change
 E = Escalated
 D = De-escalated

★ New in quarter
 ↑ = Residual Risk Increased
 ↓ = Residual Risk Decreased

6. Eight risks on the corporate risk register at the end of September, have since been closed. These are:

CRR.09 – EU Exit – The EU Exit continues to be closely monitored within the council and any specific risks will be escalated through usual service risk processes, however the existing risk ceases to be relevant.

CRR.31 & CRR.33 – South Wye Transport Package – Risk closed following recent changes by council

CRR.47 – Hereford Transport Package – Risk closed following recent changes by council

CRR.48 – Hereford Transport Package – Risk closed following cabinet member decision to adjust the land budget and confirm that the balance of the transport hub and public realm would be delivered within the available budget

CRR.49 – Hereford Transport Package – Risk closed following cabinet member decision, which revised the land budget, enabling the offer to be made for the land payments.

CRR.53 – Market Viability – Closed and replaced by a new risk around individual provider failure

CRR.56 – Discretionary Housing Payment – Closed upon review of the working arrangements put in place during COVID-19.

7. The table below shows the number of risks identified within the corporate risk register, split by directorate, as well as the number of risks managed at a directorate level.

	Corporate Risks	Directorate Risks*
Adults & Communities	0	9
Children & Families	5	10
Economy & Place	0	34
Corporate Support	3	25
Total	8	78

*including corporate risks

8. Directorate risk registers can also be found at appendices b – e. Please note that directorate risk reference numbers have been refreshed since previous reporting periods.
9. The new Risk Management Plan was introduced in November 2020, and the approach continues to be embedded.
10. Since the last report to committee, risk leads at either Director or Assistant Director level, have been introduced in each directorate. The first meeting of this group happened in December, to provide further training (slides included at appendix G) to the identified risk leads on the new framework with the request that they lead the promotion of risk and challenge of the risk within their directorates. The intention is that this group will remain active in order to shape and steer the ongoing embedding of risk. The following officers are identified as risk leads:
- Claire Ward, Solicitor to the Council and Monitoring Officer, Acting Deputy Chief Executive – Corporate Centre
 - Stephen Vickers, Director of Adults & Communities – Adults & Communities
 - Ceri Morgan, Assistant Director Education Development and Skills – Children & Families
 - Chris Jenner, Assistant Director for Technical Services – Economy & Place
11. The Director of Adults and Communities, the directorate risk lead, has been invited to the March Audit and Governance Committee, to answer questions about the risk processes within Adult and Communities and any specific queries in relation to risks.
12. Alternative system options are also being explored; to move ongoing maintenance of risk from current manual excel processes, to a more automated system.

COVID-19 Risk Register

13. A separate COVID-19 risk register has also been established to monitor risks in relation to the council's response to the global pandemic. These risks form part of regular reviews in the council's gold command meetings; this approach has been taken to allow a flexible

approach to risk management. Risks have been aggregated in to wider risk groupings (e.g. risks to our staff), which have then been scored.

Severity of Risk	Number of risks
Low risk	0
Medium risk	4
High risk	4
Extreme risk	4

14. The heat map below shows the current risk ratings of risks held on the COVID-19 risk register. Movement on this register is noted using a similar approach to the corporate risk register above. Reference numbers and details on the risks can be found at appendix F.

		Impact				
		1 Insignificant	2 Minor	3 Moderate	4 Major	5 Significant
Likelihood	5 Certain					CV4 - CV11 ↑
	4 Likely					CV3 ↓ CV8 -
	3 Possible				CV12 - CV13 ★	CV9 ↓ CV10 ↓
	2 Unlikely			CV1 ↓ CV6 ↓ CV7 ↓	CV2 -	
	1 Rare					

15. As shown above, since last reported to committee, there has been the following movements in the aggregated risks;

- 6 risks with a reduced residual score
 - CV1 Risk to the vulnerable people in Herefordshire (children not in education, not in social care)
 - CV3 Risk to the council's finances
 - CV6 Risk to the Shield, BRAVE and other vulnerable groups COVID response
 - CV7 Risks to Communications and national messaging
 - CV9 Risk of non-compliance with advice/guidance by general public
 - CV10 Risk of larger outbreaks leading to wider lockdown
- 1 risk where the residual risk has increased during the quarter

CV11 Missed education for Herefordshire learners (where likelihood increased from 4 to 5)

- 1 new risk in the quarter

CV13 Risk to the council's reputation

Community impact

16. In accordance with the principles of the council's adopted code of corporate governance, the council must ensure that it has an effective performance management system that facilitates effective and efficient delivery of planned services. Effective risk management is an important component of this performance management system

Environmental Impact

17. This decision itself has minimal environmental impacts, however effective risk management will increase the likelihood of the council achieving its strategic objectives, one of which is the Environment.

Equality duty

18. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to –

- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

19. There are no equality duty implications arising from this report.

Resource implications

20. There are no resource implications arising from this report, however effective risk management should increase the likelihood of the council delivering its budget.

Legal implications

21. None.

Risk management

22. There are no direct risks as a result of this report. By reviewing the corporate risk register and directorate risk registers, greater assurance is given that the council manages its risk effectively.

Consultees

23. None.

Appendices

Appendix A	Corporate Risk Register
Appendix B	Adults & Communities Risk Register Heat Map
Appendix C	Children & Families Risk Register Heat Map
Appendix D	Corporate Centre Risk Register Heat Map
Appendix E	Economy & Place Risk Register Heat Map
Appendix F	COVID-19 Risk Register
Appendix G	Risk Management Plan training slides

Background papers

None identified.