

## **Title of report: Corporate Risk Register**

**Meeting: Audit and governance committee**

**Meeting date: Monday 27 September 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:**

- a) **The committee determine any recommendations it wishes 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 council's Performance Management Framework (PMF) and associated 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 are identified and scored based on the likelihood and impact, using the methodology within the Risk Management Plan (RMP). Risks are reported and escalated based on their residual, or current score. The council's Corporate Risk Register therefore holds the highest, most immediate risks across the organisation; the table below provides a summary of risks based on their scores, the associated monitoring required and the action necessary.

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

\* NB: Risks that appear on the Corporate Risk Register will also appear on their relevant Directorate and Service Risk Registers

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

### Corporate Risk Register

5. The heat map below shows the current risks on the council's Corporate Risk Register as at the end of July 2021. References and the full details of the risks can be found at appendix a. At the request of the committee, changes in the Corporate Risk Register have been identified in red text in the appendix.

Corporate Risk Register - July 2021

		IMPACT			
		4		5	
LIKELIHOOD	5	CRR.59 *			
	4			CRR.52 -- CRR.60 *	
		Directorate RR (9 - 15)	Service RR (5 - 8)	Service RR (1 - 4)	Closed
		CRR.50 ↓D CRR.58 ↓D CRR.39 ↓D			CRR.03 CRR.04 CRR.51

-- No Change  
E Escalated  
D De-escalated

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

6. Since the last report to committee (March 2021 risk registers), there have been 3 risks reduced, and 3 closed.

- CRR.39 – the risk in relation to COVID-19 has been reduced down to a directorate level risk, in line with Silver command reporting. Whilst risks associated with COVID-19 continue; through daily incident meetings and weekly strategic planning sessions potential outbreaks are monitored and managed in the county. A wellbeing and economic recovery plan is being delivered.
- CRR.50 – School assets has reduced to directorate level. Schools asset maintenance is now managed through the capital programme board with oversight of both the AD for Education and the director of Children & Families.
- CRR.58 – COVID impact on population health has reduced to directorate level. The COVID-19 recover plan has been developed with a focus on health and wellbeing activity to address some of the impacts of the pandemic. There is also a programme intended to address inequalities in vaccine take-up.
- CRR.03 – budget and savings in Children & families – this has been wrapped up in a new risk of developing a sufficiency strategy which supports best value (CRR.60).
- CRR.04 – Human Rights claims has been closed and included within the re-worded risk CRR52 high risk notable cases within the courts.
- CRR.51 – Foster Carers has also been closed and is inherent within a new risk of developing a sufficiency strategy which supports best value (CRR.60).

7. Two new risks have been added;

- CRR.59 – sustainability and closure of a care home has been re-introduced as a risk in adults and communities. A care home has notified the council of its intent to close, which brings significant operational challenges in moving a number of vulnerable residents, as well as reducing the market by approximately 30 beds. Changes in the market as a result of the pandemic, along with ongoing staffing challenges in the social care sector will continue to place pressure on care home, and other social care, providers.
- CRR.60 – development of a sufficiency strategy to support best value has been added in children and families directorate. By not having an effective sufficiency strategy, Herefordshire has had challenges in placing vulnerable children which has led to financial pressures. An effective sufficiency strategy would identify a range of provisions, including a greater number of foster carers within the county.

8. The table below provides a breakdown of the current corporate risks by directorate, as well as the number of risks currently being managed at directorate level.

	Corporate Risks	Directorate Risks*
Adults & Communities	1	15

Children & Families	2	8
Economy & Place	0	30
Corporate Support	0	27
<b>Total</b>	<b>4</b>	<b>80</b>

\* includes corporate risks

9. Directorate risk registers can be found at appendix b – e. A summary of changes across directorate risk registers is found in the table below.

	Adults & Communities	Children & Families	Economy & Place	Corporate Centre
New risk	3	5	9	6
Closed risk		7	2	5
Escalated	1*		4*	7*
De-escalated from DRR.			3	4
Increased score		1		1
Reduced score		1		3
No change	11	2	17	6

\* Some risks have both increased in residual score and escalated to the Directorate Risk Register; in this instance, the table above only counts these risks in the escalation row.

10. As can be seen across the Corporate Risk Register visual, as well as the two summary tables above, there has been a significant review and refresh of the Children & Families risks. These risks are now a more accurate reflection of the current position within the directorate, and will continue to be reviewed regularly.

## COVID-19 Risk Register

11. A separate COVID-19 risk register continues to be held in order 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	5
High risk	4
Extreme risk	3

12. 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 --
	4 Likely					CV3 -- CV8 ↓
	3 Possible				CV12 -- CV11 ↓	CV9 -- CV10 --
	2 Unlikely			CV1 -- CV6 -- CV7 --	CV2 -- CV13 ↓	
	1 Rare					

13. As shown above, since last reported to committee, there has been little change in the overarching risk score of the risks associated with COVID-19, although there have been new elements within these risks which have been identified during the quarter. The following risks have reduced their residual score:

- CV11 – Missed education for Herefordshire learners
- CV13 – Risk to the council’s reputation

### Risk Management Plan Refresh

14. As reported to the last committee, the Risk Management Plan annual refresh is now underway, this refresh will be signed off by the Solicitor to the Council in autumn 2021.
15. Since June’s committee, the South West Audit Partnership (SWAP) maturity assessment has been scoped, risk leads have been briefed, the committee has been consulted with, and comparison work across similar authorities has started.
16. Also, since the last committee risk management training was run, with 58 attendees across the three sessions. This was delivered by the council’s insurer, Zurich Insurance Ltd. Sessions were targeted at the council’s Leadership Group and focused on the council’s risk processes, paying particular attention to identifying and articulating the right risks.
17. A workshop is planned with Management Board in October to consider a new approach for capturing strategic risk alongside our current risk framework. This work is being aligned with our planning for the 2022/23 delivery plan, which will identify many of the

mitigating actions. As many of the management board attendees are new officers this will provide an opportunity to further their understanding of the council approach to risk management.

18. Consideration is also being given to a rolling programme of risk training to ensure new members of staff are trained.

## **Community impact**

19. 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**

20. This decision itself has minimal environmental impacts, however effective risk management will increase the likelihood of the council achieving its strategic objectives, including to "protect and enhance our environment and keep Herefordshire a great place to live".

## **Equality duty**

21. 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.

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

## **Resource implications**

23. 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**

24 None.

## **Risk management**

25 There are no direct risks as a result of this report. It is clear that we still have some way to go to embed the new approach. By reviewing the corporate risk register on a regular basis, greater assurance is given that the council manages its risk effectively.

## **Consultees**

26 None

## **Appendices**

Appendix A	Corporate Risk Register
Appendix B	Adults & Communities Risk Register
Appendix C	Children & Families Risk Register
Appendix D	Corporate Centre Risk Register
Appendix E	Economy & Place Risk Register
Appendix F	COVID-19 Risk Register

## **Background papers**

None identified

## **Glossary**

**Sufficiency Strategy** The sufficiency strategy is to sets out what the council will do to ensure that there is sufficient accommodation of different types for our looked after children and young people (LAC). The strategy is part of a whole-system approach that includes early intervention and preventive services to support children within their families, as well as better support services for children who become looked after.