

Classification: Public

Key Decision: No

Gravesham Borough Council

Report to: Finance & Audit Committee
Date: 19 February 2018
Reporting officer: Assistant Director (Corporate Services)
Subject: Corporate Risk Register for 2018-2019

Purpose and summary of report:

This report informs Finance and Audit Committee of the outcomes from Gravesham Borough Council's annual risk identification and analysis exercise and presents a draft copy of the Corporate Risk Register for 2018-2019. The report also confirms that there are no material changes required to the Corporate Risk Management Strategy.

Recommendations:

1. Members are requested to review the draft copy of the Corporate Risk Register for 2018-2019 which can be found at Appendix 2 of this report, prior to presentation to Cabinet for approval

1. Introduction and Background

- 1.1. Gravesham Borough Council pursues a forward-looking and dynamic approach to delivering services to the local community and in doing so, the council is exposed to risk both in terms of threats and loss of opportunities. The council recognises that risks are inevitable and in practice, cannot be entirely avoided. Resultantly, the council will tolerate a certain degree of risk when pursuing objectives, executing strategies and delivering services.
- 1.2. Responsibility for risk management runs throughout the council and specific roles and responsibilities have been identified so that risk management is embedded in the culture of the council. Finance & Audit Committee have responsibility for monitoring the effective development and operation of risk management through:
 - Reviewing any changes that have been made to the Risk Management Strategy, prior to presentation to Cabinet for approval.
 - Reviewing the annual Corporate Risk Register, prior to presentation to Cabinet for approval.
 - Considering progress made during the year, in managing or mitigating risks contained within the Corporate Risk Register.
 - Identifying potential risks for inclusion in the annual Corporate Risk Register.

2. Risk Management Strategy 2018-2019

- 2.1. The Risk Management Strategy sets out the approach that has been adopted by the council for identifying, evaluating, managing and recording risks to which it is exposed. The primary intention of the risk management strategy is to ensure that risk management is embedded into the daily operations of the council. The strategy recognises that good risk management will lead to good management, good performance, good stewardship of public money, good public engagement and, ultimately, good outcomes for citizens and service users.
- 2.2. A review of the strategy is carried out annually and, where necessary, it is updated to reflect any changes to the council's approach to managing strategic risk.
- 2.3. In March 2011, it was agreed by Cabinet that the Risk Management Strategy would only be presented to Members for approval if it was subject to updates and amendments resulting in material changes to the Strategy. The review has found that there have been no changes in the councils approach to managing strategic risks, therefore no material updates or amendments to the Strategy have been necessary.

3. Draft Corporate Risk Register 2018-2019

- 3.1. In preparing the draft copy of the Corporate Risk Register for 2018-19, Management Team and Senior Officers were requested to:
 - Assess the existing risks recorded in the 2017-18 Corporate Risk Register, to confirm those which continue to generate a risk score above the council's risk tolerance threshold and therefore be carried forward into the 2018-19 Register. The existing risks are:
 - On-going financial viability of the Council
 - Changes in national priorities and legislative change
 - Organisational capacity/ resilience
 - Housing Revenue Account Services
 - 100% Business Rates Retention Scheme
- 3.2. Members of the Finance & Audit Committee, Management Team and Senior Officers were also requested to identify any new risks that should be considered for inclusion in the 2018-19 Corporate Risk Register. New risks that have been identified are:
 - Implementation of the Homelessness Reduction Act
 - Universal Credit
 - General Data Protections (GDPR)
 - Cyber Risk
 - Leaving the EU (Brexit)
 - Employee Relations
- 3.3. A Risk Identification & Analysis Assessment can be found at Appendix Two of this report. The document details all risks that have been considered when producing the draft 2018-19 Corporate Risk Register.

3.4. The outcome of the risk analysis exercise is summarised below:

- **Ongoing financial viability of the Council**
There have been no major changes to risk and the score still remains **high**, therefore it will be carried forward to 2018-19.
- **Changes in national priorities and legislative change**
There have been no major changes to risk and the score still remains **high**, therefore it will be carried forward to 2018-19.
- **Organisational capacity/ resilience**
There have been no major changes to risk and the score still remains **high**, therefore it will be carried forward to 2018-19.
- **Housing Revenue Account Services**
There have been some changes to this risk which have resulted with the severity of risk reducing from a high risk score (12) to a **medium** risk score (9). The risk will therefore be removed from the register and managed at departmental level through the Housing Services Risk Register.
- **Business Rates Retention Scheme**
There have been no major changes to risk and the score still remains **high** therefore it will be carried forward to 2018-19.
- **Implementation of the Homelessness Reduction Act**
This is a new risk which has generated a **high** risk score (15) and therefore will be added to the register as a new risk.
- **Universal Credit**
This is a new risk which has generated a **high** risk score (12) and therefore will be added to the register as a new risk.
- **General Data Protection Regulations (GDPR)**
This is a new risk which has generated a **high** risk score (10) and therefore will be added to the register as a new risk.
- **Cyber Risk**
This is a new risk which has generated a **medium** risk score (8). The risk will not be added to the Corporate Risk Register 2018-19, but will be documented in the IT Services Risk Register and managed at departmental level.
- **UK leaving the European Union**
The risk was put forward for consideration last year, at which time there was not enough information available as to the terms of the exit. For this reason, the impact on the authority of the UK leaving the European Union could not be established. Reassessment of the risk this year, has found that this situation remains the same therefore until more information becomes available, the risk will not be put forward for inclusion in the Corporate Risk Register.
- **Employee Relations**
The risk was put forward for consideration last year at which time it generated a **low** risk score (2). Review of the risk this year has found that no changes have occurred with regards to its severity, therefore it will not be included in the 2018-19 Corporate Risk Register. The risk will instead be documented in the HR Service Risk Register and managed at departmental level.

3.5. Following completion of the risk identification and analysis exercise, the risks that realised a “High Risk” score have been included in the draft 2018-19 Corporate Risk Register. All other risks that have been put forward for consideration which have generated low and medium risk scores will be managed at departmental level. A draft copy of the 2018-19 Corporate Risk Register can be found at Appendix Three of this report. The risks recorded in the register are listed below:

Risk 1: Ongoing financial viability of the Council

Risk 2: Changes in national priorities and legislative change

Risk 3: Organisational capacity/resilience

Risk 4: 100% Business Rates Retention Scheme

Risk 5: Implementation of the Homelessness Reduction Act

Risk 6: Universal Credit

Risk 7: General Data Protection Regulations (GDPR)

3.6. Members are requested to review the draft Corporate Risk Register for 2018-2019 at Appendix 2 of this report, prior to presentation to Cabinet for approval.

4. On-going monitoring of the Corporate Risk Register

4.1. Progress made against the actions in relation to each risk recorded in the Corporate Risk Register will be monitored quarterly and progress information will be presented via a half yearly report to the Finance & Audit Committee to enable the committee to ensure that necessary action is being taken to mitigate the strategic risks faced by the council.

5. Background Papers

There are no background papers pertaining to this report

IMPLICATIONS

APPENDIX 1

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| <p>Legal</p> | <p>There is a specific risk within the Register which highlights the potential issues associated with proposed legislative changes that may affect the council moving forward. Senior Management are being kept up to date with legislative change to ensure that they are able to be fully aware of potential changes proposed to assess how these may affect the council..</p> |
| <p>Finance and Value for Money</p> | <p>There are no financial or value for money implications arising from the Corporate Risk Register itself. The ongoing financial viability of the Council and risks brought about by the proposed 100% Business Rates Retention Scheme are included in the Corporate Risk Register.</p> |
| <p>Risk Assessment</p> | <p>The regular review of strategic risks facing the council aids the council in managing risk effectively as a contribution to effective strategic decision-making. It is important that the council's approach to risk is reviewed on a regular basis by both officers and Members to ensure new risks are identified and action being taken to mitigate existing risks is effective</p> |
| <p>Equality Impact Assessment</p> | <p>Screening for Equality Impacts</p> |
| | <p>Question</p> |
| | <p>a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community? If yes, please explain answer. No</p> |
| | <p>b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality? If yes, please explain answer. No</p> |
| <p><i>In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above</i></p> | |
| <p>Corporate Plan</p> | <p>Good risk management is a key aspect of the council's overall governance arrangements, which support the delivery of all objectives within the Corporate Business Plan 2015-19 but particularly Strategic Objective Four – Sound and Self Sufficient Council</p> |
| <p>Crime and Disorder</p> | <p>The risk of Crime and Disorder is considered in the annual review and development of the Corporate Risk Register</p> |
| <p>Digital and website implications</p> | <p>The Corporate Risk Strategy and Risk Register for 2017-18 will be placed on the website following Council approval</p> |

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| Safeguarding children and vulnerable adults | No direct implications from the process. |
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