

**Classification:** Public

**Key Decision:** No

## **Gravesham Borough Council**

**Report to:** Finance & Audit Committee

**Date:** 17 February 2020

**Reporting officer:** Assistant Director (Corporate Services)

**Subject:** Development of the Corporate Risk Register 2020-2021

### **Purpose and summary of report:**

This report presents the outcome of the annual risk identification and analysis exercise that has been carried out to assist in the development of Gravesham Borough Council's Corporate Risk Register for 2020-2021.

### **Recommendation:**

Finance & Audit Committee are requested to review the draft version of the Corporate Risk Register that has been developed for 2020-21, prior to it being presented to Cabinet for formal 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 2020-2021

- 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 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 In March 2011, it was agreed by Cabinet that the Risk Management Strategy would be reviewed on an annual basis and, where necessary, presented to Cabinet for approval if it was subject to updates and amendments resulting in material changes to the strategy.
- 2.3 The Risk Management Strategy has been reviewed and there have been no updates or amendments made to it. The strategy will therefore not be presented for approval but is appended to the report for information.

## 3. Draft Corporate Risk Register 2020-2021

- 3.1 In preparing the draft copy of the Corporate Risk Register for 2020-2021, Management Team, Senior Officers and Members has been contacted and requested to provide details of:
- Existing risks recorded in the 2019-2020 Corporate Risk Register that have continued to generate a risk High risk score and therefore will be carried forward. Existing risks include;
    1. On-going financial viability of the council.
    2. Changes in national priorities and legislation.
    3. Organisational capacity/resilience.
    4. Implementation of the Homelessness Reduction Act.
    5. Universal Credit.
    6. Withdrawal of the United Kingdom from the European Union.
    7. Cyberattack resulting in data breach or corruption of data.
  - Any new risks that should be analysed and considered for inclusion in the 2020-2021 Corporate Risk Register. New risks that have been identified include;
    - **Investment Risk** - given the value of the investments and the authority's reliance upon the rental and investment income.
    - **Shared Service Risk**- risk related to being involved in shared services
    - **Civil Risk** - i.e. flooding, major disaster.
    - **Non-delivery of key developments**- impact on the council of not driving development in the borough.
- 3.2 A Risk Identification & Analysis Assessment can be found at Appendix III of this report. The document details all risks that have been considered when producing the draft 2020-2021 Corporate Risk Register.

3.3 All risks and the outcome of their assessment is summarised in the table and plotted in the Heat Map below.

**Table of Risks Assessed for consideration**

Risk Ref	Risk Description	Inherent Risk	Residual Risk	Target Risk
1	On-going financial viability of the council	20	12	9
2	Changes in national priorities and legislation	20	15	12
3	Organisational capacity/resilience	20	15	12
4	Universal Credit	15	12	9
5	Cyberattack resulting in data breach or corruption of data	16	12	9
6	Investment Risk	15	10	9
7	Withdrawal of the United Kingdom from the European Union	--	--	--
8	Implementation of the Homelessness Reduction Act	15	9	6
9	Civil risk- major disaster	8	6	6
10	Increased exposure to risk to Gravesham Borough Council from shared services	9	6	6
11	Non-delivery of key developments	12	6	6

**Risk Heat Map (Residual Risk)**

<b>Likelihood</b>	Very High	5		6	2,3	
	High	4			1,4	
	Medium	3		10, 11	8	5
	Low	2			9	
	Very Low	1				
	<b>High Risk</b>		1	2	3	4
<b>Medium Risk</b>		Negligible	Significant	Serious	Critical	
<b>Low Risk</b>						
<b>IMPACT</b>						

3.4 The risks that have generated a “High Risk” score and are above the council’s strategic risk tolerance level can be seen coloured in red and have been included in the 2020-2021 Corporate Risk Register. These risks are listed below and a draft copy of the register can be found at Appendix IV.

1. On-going financial viability of the council.
2. Changes in national priorities and legislation.
3. Organisational Capacity/resilience.
4. Universal Credit.
5. Cyberattack resulting in data breach or corruption of data.
6. Investment Risk.

**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.
- 4.2 The report on the Corporate Risk Register will be considered by the Finance and Audit committee, to ensure that necessary action is being taken to mitigate risks and the Finance and Audit committee will be able to make appropriate recommendations to Cabinet.

**5. Background Papers**

- 5.1 There are no background papers pertaining to this report.

IMPLICATIONS	APPENDIX 1
<b>Legal</b>	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.
<b>Finance and Value for Money</b>	There are no financial or value for money implications arising from the Corporate Risk Register itself.  'Ongoing financial viability of the Council' is one of the key corporate risks identified within the Corporate Risk register and a specific update against this risk is included within appendix three.
<b>Risk Assessment</b>	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
<b>Data Protection Impact Assessment</b>	<p><i>A data protection impact assessment (DPIA) should be carried out at the start of any major project involving the use of personal data or if you are making a significant change to an existing process.</i></p> <p>a. Does the project/change being recommended through this paper involve the processing of <a href="#">personal data</a> or <a href="#">special category data</a> or <a href="#">criminal offence data</a>?  A definition of each type of data can be found on the Information Commissioner's Office website via the above links.  No</p> <p>b. If yes to question a, have you completed and attached a DPIA including Data Protection Officer advice?  N/A</p> <p>c. If no to question b, please seek advice from your nominated DPIA assessor or the Information Governance Team at <a href="mailto:gdpr@medway.gov.uk">gdpr@medway.gov.uk</a>.  N/A</p>
<b>Equality Impact Assessment</b>	<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.</p> <p>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><b>Corporate Plan</b></p>	<p>The council's arrangement to identify, assess and monitor strategic risks contribute to the delivery of Corporate Plan Objective #3: Progress: drive service improvement and corporate governance.</p>
<p><b>Crime and Disorder</b></p>	<p>The risk of Crime and Disorder is considered in the annual review and development of the Corporate Risk Register.</p>
<p><b>Digital and website implications</b></p>	<p>N/A</p>
<p><b>Safeguarding children and vulnerable adults</b></p>	<p>N/A</p>