

Classification: Public

Key Decision: No

Gravesham Borough Council

Report to: Finance & Audit Committee

Date: 9 March 2021

Reporting officer: Assistant Director (Corporate Services)

Subject: Development of the Corporate Risk Register 2021-2022

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 2021-2022.

Recommendations:

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 During this last year additional risks and mitigations have come to the fore due to the impact of Covid-19 pandemic. It is recognised that this pandemic will continue to bring uncertainty over the coming years and poses on going risk to both long-term financial resilience and the delivery of services.
- 1.3 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 2021-2022

- 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.
- 2.2.1 The Risk Management Strategy has been reviewed and there have been no substantial updates or amendments made to it. The strategy will therefore not be presented for approval but is appended to the report as Appendix II for information.

3. Draft Corporate Risk Register 2021-2022

- 3.1 In preparing the draft copy of the Corporate Risk Register for 2021-2022, Management Team, Senior Officers and Members have been contacted and requested to provide details of existing risks that continue to score high and should be carried forward to the 2021-2022 register and also details of any new risks that should be considered for assessment and inclusion.

Existing risks include;

1. Ongoing 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.

New risks include;

1. Withdrawal of the United Kingdom from the European Union
2. Civil risk e.g. flooding, major disaster etc.
3. Digital transformation and remote working.

- 3.2 The lasting effects of the Covid-19 pandemic remain unknown and cut across most areas of the council. Where applicable additional risks and their potential impact due to Covid-19 has been considered and incorporated into the Corporate Risk Framework.
- 3.3 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 2021-2022 Corporate Risk Register.

3.4 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	Cyberattack resulting in data breach or corruption of data	16	12	9
5	Investment risk	15	10	9
6	Universal credit	15	6	9
7	Withdrawal of the United Kingdom from the European Union	6	6	6
8	Civil risk e.g. flooding, major disaster etc.	12	9	9
9	Digital transformation and remote working	4	2	2

Risk Heat Map (Residual Risk)

LIKELIHOOD	Very High	5			2,3	
	High	4			1,4	
	Medium	3		7	8	5
	Low	2		9	6	
	Very Low	1				
	High Risk		1	2	3	4
	Medium Risk		Negligible	Significant	Serious	Critical
	Low Risk		IMPACT			

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 2021-2022 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. Cyberattack resulting in data breach or corruption of data.
5. Investment risk.

3.5 New risks; Withdrawal of the United Kingdom from the European Union, Civil risk e.g. flooding, major disaster etc. and Digital transformation and remote working, were assessed and generated medium and/or low scores. The existing Universal credit risk, generated a medium score following this year’s assessment, therefore these four risks have not been included in the Corporate Risk register, but will be managed at service level.

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 which will enable the Finance and Audit committee to make appropriate recommendations to Cabinet.

5. Background Papers

- 5.1 There are no background papers to this report.

IMPLICATIONS	APPENDIX 1
Legal	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.
Finance and Value for Money	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.
Risk Assessment	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
Data Protection Impact Assessment	<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 personal data or special category data or criminal offence data? 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 gdpr@medway.gov.uk. N/A</p>
Equality Impact Assessment	<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>Corporate Plan</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>Climate Change</p>	<p>N/A</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>N/A</p>
<p>Safeguarding children and vulnerable adults</p>	<p>N/A</p>