Chichester District Council

CORPORATE GOVERNANCE & AUDIT COMMITTEE   29 March 2018

Strategic Risk Update

1. Contacts

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2. Recommendation

The committee is requested to:

1) **Recommend to Cabinet and Council that the updated Risk Management Policy and Strategy be approved.**

2) **Note the current strategic risk register and the internal controls in place, plus any associated action plans to manage those risks, and raises any issues or concerns.**

3) **Note both the current high scoring programme board and organisational risks and the associated mitigation actions in place, and raises any issues or concerns.**

3. Background

3.1.   In accordance with the governance arrangements set out in the Risk Management Strategy and Policy, the Strategic Risk Group (SRG) reviews the strategic and programme board risk registers, and the high scoring organisational risk register bi-annually. The Corporate Governance and Audit Committee last received an update on the risk registers on 23 November 2017.

3.2.   Since November, the Strategic Leadership Team (SLT) has received quarterly updates on the risk registers for December and March. They have also considered any new risks associated with the service plans for the forthcoming financial year (2018-19).
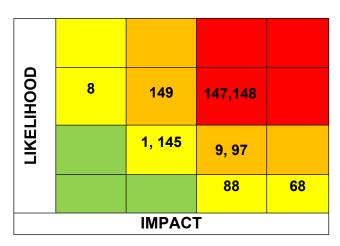
4. Outcomes to be achieved

4.1.   To adhere to good practice, the Council's Risk Management Policy and Strategy is reviewed and refreshed as necessary.

4.2.   The Strategic, Programme Board and Organisational Risk registers are current and relevant to the Council and its operation, and those risks are well managed in accordance with the Council's Risk Strategy and Policy.

5. Risk Management Policy & Strategy

5.1. The Policy and Strategy were first approved by Council in March 2013, with the last update in 2014 to reflect a new management structure.

5.2. Appendix 1 sets out the changes required to the policy and strategy to reflect the new management structure for 2018 and any changes recommended from the SRG review.

5.3. The Committee are requested to consider if there are any further changes required to the policy or strategy or the framework.

5.4. In accordance with the Council's Constitution any suggested changes will need to go through to Full Council for approval, after further consideration by Cabinet.

6. Update on the Strategic Risk Register

6.1. The strategic risk register was considered by the relevant risk owner prior to the review by SLT and SRG.

6.2. SRG considered the updated risk register, with its discussions focussed on the current risk scores, the latest situation affecting the risk position, and the mitigation action plans that are in place or being developed to manage the identified risks.

6.3. The heat map below shows where the individual risks are placed based on the recent assessment against the risk scoring matrix:

Key to Risk Numbers:
1 = Financial Resilience, 8 = Skills, Capability/Capacity, 9 = Business Continuity, 68 = Health & Safety, 88 = Recycling Target, 97 = Cyber Risk, 145 = Breach of Data Protection Act, 147 = Southern Gateway Regeneration, 148 = Local Plan, 149 = Impact of Universal Credit (UC) on working claimants across the district.

6.4. Since the last report to the Committee in November 2017, the risk scores have remained unchanged for the previously identified existing strategic risks. However three new strategic risks have been added to the risk register by SLT, these are:

- CRR 147 – Southern Gateway
- CRR 148 - Local Plan

- CRR 149 – Impact of Universal Credit (UC) on working claimants across the district.

6.5. Appendix 2 (a) and (b), where necessary reflect the following recommendations made by SRG:

- CRR 09 Business Continuity – Target score to be reviewed by the risk owner in the next quarterly review.

- CRR 68 Health & Safety – A new internal control in respect of fire safety for all council owned properties be set out in this risk.

- CRR 147 Southern Gateway Regeneration – That the internal control for "Partner Organisation Engagement" includes a reference to WSCC as a land owner of sites in the agreed Masterplan; and that the internal control for "Strategic Land Owner Engagement" status is changed from improving to poor.

- CRR 148 Local Plan – that the risk score is increased from 6 to 9, and that the internal control for "Ensure evidence base provided to meet timetable" is changed from improving to poor.

- The high scoring organisational risks CRR 58 Car Parking Service – Reduced income/deviation from the budget to be included as a subset of risk CRR 01 Financial Resilience. Plus risk CRR 117 Planning – Duty to co-operate fails to provide strategic framework to be included within the strategic risk of CRR 148 Local Plan.

7. Programme Board Risk Registers

7.1. Three Programme Boards set up for Business Improvement, Commercial and Infrastructure with the relevant director as the officer lead along with the relevant portfolio holder. A risk register, if necessary, is compiled for each board, and any high scoring risks from these risk registers would be escalated within the Risk Management Framework for consideration by senior officers and members as necessary.

7.2. Only one risk from the Programme Boards is high scoring; PBR 08 Insufficient resources to deliver projects, and is unchanged from the committee's last review Appendix 3 sets out the associated mitigation plans for this high scoring risk. All other risks on the Programme Board registers have risk scores lower than 6.

8. Update on the Organisational Risk Register

8.1. The SRG considered the high scoring risks and the associated mitigation plans which are shown in appendix 4, which reflects the changes recommended by the group.

9. Other Implications

	Yes	No
Crime & Disorder:		X
Climate Change:		X
Human Rights and Equality Impact:		X
Safeguarding:		X

10. Appendices

10.1. Appendix 1 – Risk Management Policy & Strategy

10.2. Appendix 2(a) – Strategic Risk Register

10.3. Appendix 2(b) – Strategic Risk Register (Exempt Information – para 3)

10.4. Appendix 3 – Mitigation Plans for High Scoring Programme Board Risks

10.5. Appendix 4 – Mitigation Plans for High Scoring Organisational Risks

11. Background Papers

11.1. None.