

# Chichester District Council

CORPORATE GOVERNANCE & AUDIT COMMITTEE

19 October 2020

## Risk Management Update

### 1. Contacts

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### 2. Recommendation

- 2.1. **That the Committee approves the minor changes to the Council's Risk Management Policy & Strategy recommended by the Strategic Risk Group.**
- 2.2. **That the Committee notes the updated Strategic Risk Register and the internal controls in place, plus any associated action plans to manage those risks, and raises any issues or concerns.**
- 2.3. **The Group notes that the Programme Boards Risk Registers have ceased as a result of a change in the Council's action plans as set out in the Recovery Plan reported to Council in July.**

### 3. Background

- 3.1. In March the Strategic Risk Group considered the amendments to the Risk Management Policy & Strategy and the position of the Council's different risk registers; the update was due to be reported to the Corporate Governance and Audit Committee in March 2020. However, due to the global pandemic the meeting was cancelled, and by the time the committee next convened in July, the information on the risk registers was out of date, so the decision was taken to only circulate the report and appendices prepared in March for information to the committee members in July, when a special committee took place. As such, the minor amendments to the Council's Risk Management Policy and Strategy have yet to be formally considered and are now being submitted to the this Committee meeting to be approved.
- 3.2. In accordance with the governance arrangements under the policy the Strategic Leadership Team (SLT) considered all the Risk Registers in June (Quarter 1) and again for this second quarter review, which was reported to the Strategic Risk Group on 5 October, and the outcome of their review is now being reported to the Committee.

### 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. An updated and refreshed Strategic Risk Register that is current, and relevant to the Council and its operation, and that those risks are well managed in accordance with the Council's Risk Management Strategy and Policy.

## 5. Risk Management Policy & Strategy

- 5.1. The Risk Management Policy and Strategy were last updated in March 2018 to reflect a new management structure which came into effect from 1 April 2018.
- 5.2. Appendix 1 sets out some minor changes required to the policy and strategy to reflect the current corporate plan objective on risk management and the new assessment terminology for the risk scoring matrix. The change in terminology is to align the risk matrix that will also be used in the recently updated project management guidance when considering project risks.
- 5.3. Following the review by SRG in March no other changes were recommended to the Committee; as the changes are only minor amendments or corrections in nature, the Council's Monitoring Officer has agreed that the revisions made do not need further Cabinet approval.

## 6. Update on the Strategic Risk Register

- 6.1. The Strategic Risk Register was considered by the relevant risk owner prior to the reviews by SLT and the Strategic Risk Group.
- 6.2. SRG considered the updated risk register, with its discussion 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 risk map below shows the risk numbers and where they currently appear on the heat map for the strategic risk register:

<b>LIKELIHOOD</b>		<b>9</b>	<b>148</b>	
			<b>147, 170</b>	
	<b>8</b>	<b>171</b>	<b>97, 165, 178</b>	<b>1</b>
				<b>68</b>
<b>IMPACT</b>				

Key to Risk Numbers:

**1** = Financial Resilience, **8** = Skills, Capability/Capacity, **9** = Business Continuity, **68** = Health & Safety, **97** = Cyber Risk across ICT estate, **147** = Southern Gateway Regeneration, **148** = Local Plan, **165** = Brexit, **170** = Changing Use of the High Street in the City and Rural Towns, **171** = Criminal Finances Act - Procedural failures facilitating tax evasion; **178** = Covid-19 (Coronavirus)

- 6.4. The 11 strategic risks on the register remain the same as those previously reported to the SRG. Six of the strategic risks are considered to be controlled, with the other remaining five have controls pending, which is where actions are still in progress to control or mitigate the risk; although the mitigation controls in place are seen as improving.
- 6.5. This quarter the following risks' score have changed:
- CRR 01 – Financial Resilience – the risk score has reduced from 16 to 8 as result of the likelihood reducing from 4 (almost certain) to 2 (possible), taking into account the new support expected in 2020-21 for the loss of sales, fees and charges income from the Government as result of the impact of the pandemic on the Council's discretionary income streams.
  - CRR 09 – Business Continuity – the risk score has reduced from 9 to 8 to take account of the likelihood increasing to 4 (almost certain) from 3 (probable), due to the pandemic but the impact reduced from 3 (substantial) to 2 (moderate) as result of measures put in place to ensure that council services could continue to be provided.
  - CRR 148 – Local Plan – the risk score has increased from 6 to 12 as the Local Development Scheme (LDS) submission date has passed, so the likelihood risk score has increased from 2 (possible) to 4 (almost certain).
  - CRR 165 – Brexit – the risk score has increased from 3 to 6 to take account of the likelihood of a no deal Brexit currently increasing at the end of the transition period.
  - CRR 178 – Covid-19 (Coronavirus) – the risk score has decreased from 12 to 6 as the likelihood score has reduced from 4 (almost certain) to 2 (possible) due to the control measures that have been put in place.
- 6.6. All other existing strategic risks scores have remained unchanged since the last quarter's review.
- 6.7. Appendices 2 (a) and 2 (b) show the current status of the Strategic Risk Register.

## **7. Programme Board Risk Registers**

- 7.1. In response to the Council approved Recovery Plan which set out 4 new themes to aid the council's recovery as a result of the global pandemic. These are to aid recovery over the next 12 months based on four thematic areas:
- Community and Housing Recovery
  - Economic Recovery
  - Planning, Health and Environmental Protection Recovery
  - Organisational Recovery
- 7.2. As a result of these new plans the previous programme boards have now ceased. The risks associated with each of the thematic work streams and their

action plans will need to be considered both for strategic risks i.e. CRR 1 Financial Resilience etc. and in individual services' organisational risk registers, where appropriate.

## 8. Risk Management Loss Control Allowance

8.1. Due to the pandemic the Council extended the insurance contract which was due to end on 31 October 2020 by 1 year. Officers are in discussions with Zurich whether the funding for the outstanding work from the annual allowance for 2020 will be available in 2021. The allocation yet to be used was for a risk appetite review by members from SRG and the Corporate Management Team; however, this is dependent on future changes and development of the Council's Corporate Plan as part of the Recovery Plan.

## 9. Conclusion

9.1. Any amendments by the Group to the strategic risk register will be reported to the Corporate Governance and Audit Committee on 19 October 2020.

## 10. Other Implications

	Yes	No
<b>Crime &amp; Disorder:</b>		X
<b>Climate Change and Biodiversity:</b>		X
<b>Human Rights and Equality Impact:</b>		X
<b>Safeguarding and Early Help:</b>		X
<b>General Data Protection Regulations (GDPR):</b>		X
<b>Health and Wellbeing:</b>		X

## 11. Appendices

- 11.1. Appendix 1 – Risk Management Policy & Strategy including the Risk Management Framework
- 11.2. Appendix 2 (a) – Strategic Risk Register
- 11.3. Appendix 2 (b) – Strategic Risk Register (Part 2)

## 12. Background Papers

- 12.1. None.