

Chichester District Council

CORPORATE GOVERNANCE & AUDIT COMMITTEE

18 July 2022

Risk Management Update

1. Contacts

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2. Recommendation:

- 2.1. That the Committee approves the changes to the Council's Risk Management Policy & Strategy as 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.**

3. Background

- 3.1. Under the governance arrangements as set out in the Council's Risk Management Strategy and Policy, the Committee should receive the outcome of the Strategic Risk Group's (SRG) review of the risk registers at least twice a year.
- 3.2. The Committee last received a risk management update report at its meeting of 25 October 2021, as it was necessary to cancel the SRG meeting scheduled for 8 March due to a shortage of staff resources in Democratic Services at that time, no report was produced for the Committee to consider at its March 2022 meeting either. However, the Strategic Leadership Team (SLT) did consider all the risk registers for Q3 2021-22 on 21 January 2022.
- 3.3. This report is the outcome of the review by both SLT and the SRG for Q1 2022-23 following the SRG meeting held on 16 June 2022.

4. Outcomes to be achieved

- 4.1. The Council's Risk Management Policy and Strategy clearly setting out the governance arrangements and responsibilities for risk management, considering the new Council's risk appetite statement.
- 4.2. The Strategic Risk Register and the high scoring Organisational Risk items that are 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 and Strategy

- 5.1. The risk appetite development has finally been undertaken using the remaining risk management allowance under the previous insurance contract with Zurich Municipal. The results of which are now incorporated into the updated Risk Management Policy and Strategy in Appendix 1; reflecting the agreed statements following a workshop held on 27 April with the SRG members and SLT. It should be noted that the risk appetite statements can and should be adapted to consider against any new corporate priorities or major projects.
- 5.2. The other significant change recommended by SRG to the committee, includes amending the reporting and assessment requirement by officers from quarterly to twice a year, coinciding with the formal assessment to SRG and CG&AC. The reason for this change, is that the risks do not significantly change between each assessment period. Also risk management is embedded within the organisation and the protocols in place are adhered to, especially on significant service risk areas and major projects which are considered regularly by officers in the interim of the formal reviews.

6. Update on the Strategic Risk Register

- 6.1. Appendices 2(a) and 2(b) (part 2) show the updated risk register considering the comments and recommendations from SRG.
- 6.2. The risk map below shows the risk numbers and where they currently appear on the heat map for the strategic risk register:

LIKELIHOOD	4 (Almost Certain)		188	147, 148	
	3 (Probable)		9	1, 8, 97, 185	
	2 (Possible)		170	189	
	1 (Unlikely)				68
		1 (Minor)	2 (Moderate)	3 (Substantial)	4 (Major)
IMPACT					

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, **170** = Changing Use of the High Street in the City and Rural Towns, **185** = Increase in Homelessness Service Demand Due to Increased Cost of Living and Ukraine Sponsorship Programme Impact, **188** = Climate Emergency Detailed Action Plan, **189** = Crouchlands Lagoon 3

- 6.3. There are now 11 strategic risks following the latest review by SRG; 6 of which are considered to be controlled, whereas the other remaining 5 have controls pending; which is where actions are still in progress to control or mitigate the risk.
- 6.4. This quarter the following risks' scores have changed on the existing risks:
- **CRR 148 – Local Plan** – the risk score has changed from 8 to 12 as the certainty of not submitting the Local Plan in accordance with the Local Development Scheme timetable has increased, and the marginality of the Council's 5 year housing land supply has also led to an increase in the impact.
 - **CRR 170 – Changing Use of the High Street in City and Rural Towns** – the risk score has decreased from 9 to 4 as the likelihood score has reduced from 3 (probable) to 2 (possible), along with the impact score reduced from 3 (substantial) to 2 (moderate). The status of this risk on the register will be review by SRG at its next meeting.
 - **CRR 185 – Increase in Homeless Service Demand due to Increased Costs of Living and Ukraine Sponsorship Programme Impact** – the risk score has increased from 6 to 9, as the likelihood score has increased from 2 (possible) to 3 (probable).
 - **CRR 188 – Climate Emergency Detailed Action plan** – the risk score has increased from 6 to 8, as the likelihood score has increased from 3 (probable) to 4 (almost certain).
- 6.5. At the June SRG meeting the following risks were removed from the Strategic Risk Register:
- **CRR 171 – Criminal Finances Act – Procedural failures facilitating tax evasion, fraud, bribery, and corruption** - the risk score has reduced from 4 to 2, as the likelihood score has reduced from 2 (possible) to 1 (unlikely). This was moved to the relevant service's Organisational Risk Register to continue to be monitored.
 - **CRR 178 Covid-19 (Coronavirus)** was removed completely from the Council's risk registers as recommended by SRG
- 6.6. All other existing strategic risks scores have remained unchanged since they were last reviewed, and no new strategic risks have been identified.

7. Risk Management

- 7.1. Under the new insurance contracts Protector (Property & Casualty cover) offer 2 days risk management support. It is intended that this will be used for a H&S risk management review to identify any gaps that they could assist with (auditing, training etc.). The Safety and Resilience Manager is leading on this work with the Divisional Manager for Financial Services.

8. Consultation

- 8.1. The Risk Management Policy and Strategy changes have been considered by both SLT and SRG, along with both the Council's risk registers for strategic and organisational risk, in line with the required reporting regime. The outcome of their review is now being reported to this Committee.

9. Other Implications

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

10. Appendices

- 10.1. Appendix 1 – Risk Management Policy and Strategy (June 2022)
10.2. Appendix 2 (a) – Strategic Risk Register
10.3. Appendix 2 (b) - Strategic Risk Register (Part 2)

11. Background Papers

- 11.1. None.