

# Southend-on-Sea Borough Council

Report of Chief Executive and Town Clerk  
To  
**Cabinet**  
On  
**27 July 2021**

Agenda

Item No.

**8**

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Audit

## Corporate Risk Register – June 2021 update

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**Relevant Scrutiny Committee(s): Policy & Resources, People and Place  
Scrutiny Committees**

**Cabinet Member – Cllr Collins  
A Part 1 Public Agenda Item**

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### **1 Purpose of Report**

- 1.1 To consider the updated summary Corporate Risk Register.

### **2 Recommendations**

**That Cabinet considers the updated summary Corporate Risk Register and the position at June 2021 outlined in Appendix 1.**

### **3 Summary Corporate Risk Register**

- 3.1 The Council's Corporate Risk Register sets out the key risks to the successful delivery of the Council's corporate Southend 2050 Ambition and Outcomes and outlines the key management arrangements in place to mitigate and reduce risks, or maximise opportunities.
- 3.2 Updates on the Corporate Risk Register are discussed with and reported to Corporate Management Team (CMT) and the summary position is reported to Cabinet twice a year in June and January. The updated position on each risk or opportunity and management arrangements to mitigate these are included in Appendix 1.
- 3.3 The presentation of the risks reflects the alignment to the Southend 2050 Themes and reports the management actions being taken to mitigate the risks, or maximise the opportunity and includes the lead officer and relevant Cabinet Member for each risk. The differing roles of Members, in determining priorities and policies, and Officers in managing delivery of those priorities and implementing those policies should be remembered.
- 3.4 Work is ongoing through the Future Ways of Working programme to further develop and align work on risk across the Council, so that the approach to risk management is better embedded, supports the governance framework, the transformation agenda and integrated decision making, supporting the organisation to manage well in an increasingly complex environment.
- 3.5 In the period since the last report to Cabinet there have been further changes to the context that the Council is operating within as a result of the ongoing Covid-19 pandemic. The pandemic continues to have far reaching consequences and impacts across the whole of the Council's activities, the ways that services and officers are required to operate and the support that it has needed to provide to the Borough, as was covered in separate reports to Cabinet on 9 June and 15 September 2020 and 15 June 2021.

3.6 As a result Southend 2050 has been reviewed and refreshed to enable the Council to focus on the next 12 months. The refresh has:

- Formalised Future Ways of Working as the sixth Southend 2050 theme
- Prioritised outcomes within each of the themes
- Focused the prioritised roadmap milestones on delivery and:
  - Response to the Covid-19 pandemic
  - Economic recovery
  - Sustainability – financial, environmental and our transformation as an organisation.

3.7 Within this context CMT and other Directors have identified the following issues to be managed, monitored and reviewed as part of the Corporate Risk Register (with the relevant Scrutiny Committee for each issue in brackets):

1. Covid-19 pandemic (Policy & Resources / People)
2. Financial sustainability (Policy & Resources)
3. EU exit (People) – risk de-escalated from the Corporate Risk Register as a result of the exit agreement that is now in place, while the residual risks and issues arising from the implementation of the exit agreement will now largely become business as usual for relevant teams across the Council, including the Regulatory Services teams in supporting the Borough's businesses through the regulatory change and supply chain risks in respect of materials for construction and other projects. These and other risks continue to be managed across the organisation. EU exit remains a cross-cutting theme for the economic recovery cell that is working with the Opportunity & Prosperity theme leads and will ensure that the ongoing economic impacts of EU exit are picked up as part of the wider response within that theme
4. Public services landscape (Policy & Resources)
5. Workforce (Policy & Resources)
- 6a. Cyber security event (Policy & Resources)
- 6b. Data protection (Policy & Resources)
7. Capital investment delivery programme (Policy & Resources) – risk escalated to the Corporate Risk Register
8. Safeguarding responsibilities (People)
9. Adapting to climate change (People / Place)
10. Health inequalities (People)
11. Child welfare (People)
12. Housing (Place)
13. Adult social care (People)
14. Social cohesion (People) – risk escalated to the Corporate Risk Register
15. Waste management service (Policy & Resources)
16. House building programme (Place)
17. Regeneration and major projects (Place)

18. Southend as a visitor destination (Place)

19. Economic recovery and income inequalities (Policy & Resources / People)

20. Local plan (Place)

- 3.8 The risk register heat map on page 4 of appendix 1 plots the current risk score for each risk using the Council's scale, as shown on page 2 of appendix 1. This shows that the risks that have been escalated to the Corporate Risk Register are those with the potential to be the most detrimental to achieving the Ambition for the Borough, which is why the risk scores are all relatively high and consequently the risks appear on the Corporate Risk Register.
- 3.9 During the period since the last report to Cabinet, the concurrent manifestation of three risks: EU exit, the post-Christmas period of the Covid-19 pandemic and agreeing a budget for 2021/22 and the medium term financial strategy, that was flagged as significant challenge have all been navigated appropriately by the Council.
- 3.10 However, incidents have occurred at other Councils where examples of the risks that we are facing and working to manage have crystallised resulting in significant detrimental effects on the operations and provision of services at those Councils. Most notably the cyber-attack at Hackney, the financial difficulties at Croydon and the best value inspection at Liverpool. There have also been public interest reports issued by external auditors in respect of Nottingham, Croydon and Northampton reflecting the importance of Council leadership, governance, scrutiny and culture. These incidents demonstrate the importance of the management arrangements in respect of, and the governance arrangements overseeing that management of, the risks that are being faced by the Council and the need to remain vigilant to the potential for things to go wrong.
- 3.11 As a reminder it is worth noting that the underlying risk management arrangements currently follows a 3-stage process:
- 1st stage:** An 'inherent risk' with the risk assessed with no controls, assurance or actions in place, resulting in an inherent risk score.
- 2nd stage:** The 'current risk' where the risk is assessed with controls, assurances and identified management actions and arrangements. It is this position that is being reported within the summary corporate risk register at Appendix 1.
- 3rd stage:** The 'target risk' which is the risk with the controls, assurances and actions, as if they have been completed, resulting in a target risk score.
- 3.12 Appendix 1 provides a summary of the risks and opportunities currently on the corporate risk register and the arrangements in place to manage those, along with the 'current score' position for each risk as assessed by management, based on the risk or opportunity itself and the management of the issue that is in place to ensure that it progresses as the Council would want.
- 3.13 The risks as documented are effectively the worst-case scenario of what could happen if the Council is not appropriately managing the issue that it is facing. This does not mean that it will happen, as the purpose of the arrangements being put in place to manage the risk, or deliver the opportunity, is to ensure that the issue works out in the way that the Council wants it to.
- 3.14 Executive and other Directors ensure service specific risks are managed within their departments, within service management and in accordance with the risk management strategy and processes. 'Red' rated risks with corporate implications can be escalated to CMT via those Directors. Actions for managing these risks are updated and reviewed by Departmental Management Teams.

3.15 Operational risks, managed within departments, are also assessed as part of reviews undertaken by Internal Audit and project risks are monitored by CMT where applicable.

#### **4 Corporate Implications:**

##### 4.1 Contribution to the Southend 2050 Road Map

The Corporate Risk Framework underpins the operational effectiveness of the Council's Corporate Governance arrangements and specifically monitors progress of managing key risks associated with the successful delivery of the 2050 Ambition and Outcomes.

##### 4.2 Financial Implications:

Any financial implications arising from identifying and managing risk will be considered through the normal financial management processes. Proactively managing risk can result in reduced costs to the Council by reducing exposure to potential loss.

##### 4.3 Legal Implications:

The Accounts and Audit Regulations 2015 require that:

*A relevant authority must ensure it has a sound system of internal control which facilitates the effective exercise of its function and the achievement of its aims and objectives, ensures that the financial and operational management of the authority is effective and includes effective arrangements for the management of risk.*

##### 4.4 People Implications:

Any people and property implications arising from identifying and managing risk will be considered through the Council's normal business management processes.

##### 4.5 Property Implications:

None specific.

##### 4.6 Consultation:

Consultation has taken place with key stakeholders of the corporate risk register.

##### 4.7 Equalities and Diversity Implications:

Corporate equalities considerations have been considered in the drafting of the register and any specific equality related risks have been identified for the Council.

##### 4.8 Risk Assessment:

Failure to implement a robust assurance framework which includes fit for purpose risk management arrangements increases the risk that Council ambition and outcomes will not be delivered.

##### 4.9 Value for Money:

Effective forecasting and timely management of risk is a key factor in preventing waste, inefficiency and unnecessary or unplanned use of resource.

##### 4.10 Community Safety Implications:

None specific.

##### 4.11 Environmental Impact:

None specific.

#### **5 Related reports**

**Southend 2050: Annual review and refresh of the Outcomes & Roadmap Milestones**

#### **6 Appendices:**

**Appendix 1 – Summary Corporate Risk Register as at June 2021**

