

Southend-on-Sea City Council

Report of Chief Executive and Town Clerk
To
Cabinet

On
21 February 2023

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Corporate Risk Register – December 2022 update

Relevant Scrutiny Committee: Policy & Resources

Cabinet Member – Cllr Collins
A Part 1 Public Agenda Item

**Agenda
Item No.**

1 Purpose of Report

1.1 To note the updated summary Corporate Risk Register.

2 Recommendations

That Cabinet notes the updated summary Corporate Risk Register and the position at December 2022 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 Plan and outlines the key management arrangements in place to mitigate and reduce risks, or maximise opportunities.
- 3.2 Updates to the Corporate Risk Register are discussed with Executive Directors, Directors, Heads of Service and Managers, reported to Corporate Management Team (CMT) and the summary position is reported to Cabinet twice a year in June / July and January / February. 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 has been amended to reflect alignment to the Corporate Plan overarching priorities that as a Council we want to achieve for the City, instead of the Southend 2050 themes that were used previously. Appendix 1 reports the key risks to the achievement of those priorities and the management actions being taken to mitigate the risks, or maximise the opportunity. It includes the lead officers 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 The re-introduction of a Corporate Plan has provided the opportunity for a review of the Council's governance framework that underpins the delivery of the expectations of the Corporate Plan, and therefore a team is reviewing the current governance arrangements and will make recommendations to deliver improvements that will seek to implement the Council's aim of simple and effective governance and will be in place from 1 April 2023.
- 3.5 Effective risk management is a key element of the governance framework and will therefore provide a key element of the updated governance framework. Work is being undertaken on updating the risk management policy statement and strategy as part of the review of governance arrangements, with the aim of ensuring that risk awareness and horizon

scanning is business as usual for all teams.

- 3.6 In the period since the last report to Cabinet there have been further changes to the context that the Council is operating within that continues to increase the pressure on the local government sector. This includes the significant impact of inflation and cost of living pressures, with the impact on costs of and demand for services, and the continuously changing impact of the Covid-19 pandemic. These issues have the potential to cause 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 needs to be provided to the City.
- 3.7 The priorities contained in the Corporate Plan, as agreed by Members, are:
- A city that is strong and prosperous
 - A city with a good quality of life
 - A city rising to the climate challenge
 - A city delivering genuinely affordable housing.
- 3.8 To achieve these priorities it is recognised that the Council needs to change what it does in respect of:
- Delivering the right quality services
 - How we work
 - Digital as an enabler.
- 3.9 The Council has been working with Grant Thornton to identify how the Council compares to other similar authorities and identify ideas and opportunities to do things differently that underpins a transformation blueprint setting out the programme and organises these opportunities into workstreams to create order and sequence to activities.
- 3.10 Within this context CMT and other Directors have identified the following risks to be managed, monitored and reviewed as part of the Corporate Risk Register. Changes since the last report to Cabinet are highlighted below:
1. Covid-19 pandemic – management actions, lead officer and scoring revised
 2. Financial sustainability – management actions and lead officer revised
 3. Inflation and cost of living pressure - management actions and lead officer revised
 4. Public services landscape - management actions, lead officer and scoring revised
 5. Workforce - management actions and lead officer revised
 - 6a. Cyber security event - management actions, lead officer and scoring revised
 - 6b. Data protection – lead officer revised
 7. Capital investment delivery programme – management actions and lead officer revised
 8. Mitigating for and adapting to climate change - management actions, lead officer and scoring revised
 9. Waste management service – management actions and lead officer revised
 10. Safeguarding responsibilities and child welfare – management actions and lead officer revised
 11. Health inequalities – management actions and lead officer revised

12. LGA peer review of Special Educational Needs and Disability (SEND) and Children With Disabilities (CWD) – management actions and lead officer revised

13. Adult social care – management actions and lead officer revised

14. Social cohesion – management actions and lead officer revised

15. Risk in respect of Southend Travel Partnership was escalated to the CRR and then de-escalated from the CRR, as a result of improvements in service delivery (meaning there is no CRR15 in Appendix 1.)

16. Housing – management actions and lead officer revised

17. House building programme – lead officer revised

18. Local plan – lead officer revised

19. Regeneration and major projects – management actions and lead officer revised

20. Southend as a visitor destination has been amended to reflect the risk posed by major events taking place in the City – additional element of risk, management actions and lead officer revised

21. Economic recovery and income inequalities – management actions and lead officer revised.

3.11 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 Corporate Plan priorities and Ambition for the City, which is why the risk scores are all relatively high and consequently the risks appear on the Corporate Risk Register.

3.12 Recent 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. These incidents demonstrate the importance of the effectiveness of 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.

3.13 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.

3.14 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.

- 3.15 The risks as documented are effectively the worst-case scenario of what could happen if the Council is not appropriately managing the risk 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.
- 3.16 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.
- 3.17 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 Reason for recommendation

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.

Cabinet noting the summary Corporate Risk Register contributes to the assurance that this requirement is being met.

5 Corporate Implications

5.1 Contribution to the Corporate Plan

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 Corporate Plan.

5.2 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.

5.3 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.

5.4 People Implications

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

5.5 Property Implications

Any property implications arising from identifying and managing risk will be considered

through the Council's normal business management processes.

5.6 Consultation

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

5.7 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.

5.8 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.

5.9 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.

5.10 Community Safety Implications

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

5.11 Environmental Impact

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

6 Background papers

Southend City Council Corporate Plan

7 Appendices:

Appendix 1 – Summary Corporate Risk Register as at December 2022

