

**Meeting:** Cabinet  
**Date:** 18 November 2024  
**Classification:** Part 1  
**Key Decision:** No  
**Title of Report:** Corporate Risk Register (October 2024)

**Executive Director:** Claire Shuter, Executive Director, Strategy & Change  
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**Executive Councillor:** Councillor Paul Collins: Finance, Assets and Investments

## **1. Executive Summary**

- 1.1 The Corporate Risk Register sets out the key risks to the successful delivery of the Council's priorities and objectives and outlines the key management arrangements in place to mitigate and reduce the likelihood of the risks crystallising or maximise the likelihood of the opportunities being achieved.
- 1.2 This report presents a revised Corporate Risk Register and the position at October 2024. The Corporate Leadership Team has reviewed and updated the format of the Corporate Risk Register to ensure that the information provided will support informed decision making, which is vital to delivering successful services and transformational change.
- 1.3 Risk is defined as uncertainty, whether positive or negative, that will affect the outcome of an activity or intervention. The term 'management of risk' incorporates the activities required to identify and control the exposure to risk that may have an impact on the achievement of the Council's priorities.

## **2. Recommendations**

- 2.1. It is recommended that Cabinet note the revised Corporate Risk Register and the position in October 2024 outlined in Appendix 1 and supports the actions being taken to manage the risks.**

## **3. Background**

- 3.1. Effective risk management is a key element of the council's governance framework and has long been an established an effective tool within the council.

- 3.2. Work has been undertaken on updating the risk management policy statement, strategy and register 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. As part of their social value offer, Zurich, the council's insurance provider, supported the refresh with a desk top review and staff training programme.
- 3.3. The desk top review of the council's practice found a good understanding of risk management principles and workflow. Officers have identified an additional opportunity to strengthen consistent application of escalation and de-escalation of risk and enhance definitions which have been incorporated into the Risk Management Toolkit.
- 3.4. As a result, on 23 October 2024, Audit Committee were presented with a suite of refreshed material and recommended to approve the content (link in Background Papers at 12.1 in this report). The suite included:
- 3.5. The Risk Management Policy Statement and Strategy, which sets out the Council's aims and objectives for effective risk management, including roles and responsibilities. The refresh has resulted in a more concise description with focus on key areas, including strengthening a consistent escalation and de-escalation process.
- 3.6. The Risk Management Toolkit, which is a practical guide for staff to identify, record, and manage risks. This document has been refreshed to include new guidance on how to escalate and de-escalate risks as well as enhanced support for staff in considering the impact and likelihood rating of risks.
- 3.7. The Risk Register template, which has been refreshed and now includes the introduction of monitoring the direction of risk. This will allow risk decision makers to have greater context when considering action. The inherent risk score has been removed as it adds limited value to the overall context of risk management when the residual risk score is also included.
- 3.8. The council's strategic approach to risk management is led by the council's Corporate Leadership Team, with responsibility assigned through all levels of the council's structure to ensure risk management is integrated into strategic planning and prioritisation to assist in the achievement of outcomes and successfully dealing with challenges. Risk management is an essential and integral part of meeting objectives, improving service delivery and achieving value for money.

#### **4. Corporate Risk Register**

- 4.1. The purpose of the council's Corporate Risk Register is to set out the key risks to the successful delivery of the Council's priorities and objectives as set out in the Corporate Plan and to outline the key management arrangements in place to mitigate and reduce risks or maximise opportunities.

- 4.2. The Corporate Leadership Team has reviewed and updated the format of the Corporate Risk Register to ensure that the information provided will support informed decision making, which is vital to delivering successful services and transformational change. The changes made and the rationale are as follows:
- Risks have been incorporated into a single table to facilitate analysis
  - Analysis of each risk has been expanded to include the potential consequences of the risk materialising
  - The inclusion of a target risk analysis and score, provides an indication of the gap between the current level of risk and the risk appetite
  - The 'Direction of Travel' has been included to illustrate the progress made in mitigating the risk since the last review.
- 4.3. A strategic risk identification workshop was held with the Extended Corporate Leadership to review the corporate risks for the council. A total of 9 risks were identified and assessed. The refreshed corporate risk register is attached at **Appendix 1**. The corporate risk register reports the key strategic risks to the achievement of the council's priorities, the 'residual (current) risk score' position as assessed by management, and the management actions being taken to mitigate the risks. It includes the lead officers for each risk.
- 4.4. The risk register heat map is contained in Appendix 1, plots the current risk score for each risk using the Council's scale. 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 Council's priorities and objectives, which is why the risk scores are all relatively high and consequently the risks appear on the Corporate Risk Register.
- 4.5. The risks 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 situation works out in the way that the Council wants it to.
- 4.6. Updates to the Corporate Risk Register will be carried out bimonthly and discussed with Executive Directors, Directors, Heads of Service and Managers, and reported to the Corporate Leadership Team. The summary position will continue to be reported to Cabinet twice a year in September and March.
- 4.7. Directorate Risk Registers include risks in respect of services, programmes or projects and holding companies that are within the remit of the directorate. Directorate level risks will be identified, assessed, monitored and reviewed by the Directorate Leadership Team on a bimonthly basis.
- 4.8. Directorate level risks should be escalated to the Corporate Risk Register if:
- The risk cannot be controlled / managed at its current level

- The risk remains extremely high even after mitigations are implemented
- The risk will impact on more than one service or project if it materialises
- The action required to control the risk is outside the delegated authority of the risk owner.

4.9. Risks recorded on the Corporate Risk Register can be considered for de-escalation and recorded and managed on the relevant Directorate Risk Register where:

- The risk can be controlled at the service, programme or company level
- The risk has been successfully managed down to its target level score
- The risk will only affect one service area or team, and the impact will be limited.

4.10. The appetite for risk varies according to the activity being undertaken and the ability to exercise control. Risk appetite provides a framework for informed decision making and the setting of a risk appetite relevant to the type of activity helps to prevent the under or over control of risks. CLT are in the process of developing and defining risk appetites for different elements of the Council's operations, which will be used for the Corporate Risk Register and Directorate Risk Registers.

## **5. Reasons for Decisions**

5.1. 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.

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

## **6. Other Options**

6.1. None

## **7. Financial Implications**

7.1. The Government's Orange Book, Management of Risk – Principles and Concepts states that if organisations are serious about meeting objectives successfully, improving service delivery and achieving value for money, risk management must be an essential and integral part of planning and decision making. Sound risk management supports informed decision making and strong financial management.

7.2. Failure to manage risks may lead to financial consequences.

## 8. Legal Implications

- 8.1. Failure to manage risks may lead to reputational, legal, regulatory, safety, security, environmental, employee, customer and operational consequences.

## 9. Policy Context

- 8.1 This report is made in the context of the following policies:
- The Government's Orange Book, Management of Risk – Principles and Concepts

## 10. Carbon Impact

- 10.1. Failure to manage risk 5 (Insufficient progress made on sustainability initiatives which make the ambition to reach the council's commitment for net zero carbon by 2030 for council operations unachievable) may lead to consequences for carbon impact.

## 11. Equalities

- 11.1. There are no direct equalities implications arising from this report.

## 12. Consultation

- 12.1. Following the initial review by Zurich, a refreshed process was presented to and explored with the Corporate Leadership Team and the Senior Leadership Network, during a training workshop. These teams feedback and enhancements have since been made. In addition, the Impact and Likelihood definitions have been shared with relevant members of the Extended Corporate Leadership Team and enhancements made as a result.

## 13. Background papers

- 13.1. Report to Audit Committee, 23 October 2024: [Agenda for Audit Committee on Wednesday, 23rd October, 2024, 6.30 pm \(southend.gov.uk\)](https://www.southend.gov.uk/agenda-for-audit-committee-on-wednesday-23rd-october-2024-6.30-pm)

## 14. Appendices

- 14.1. **Appendix 1**: Corporate Risk Register October 2024

## 15. Report Authorisation

This report has been approved for publication by:		
	Name:	Date:
Executive Director(s)	Claire Shuter	10/10/2024
S151 Officer	Joe Chesterton	10/10/2024
Monitoring Officer	Susan Zeiss	10.10.2024

Relevant Cabinet Member(s)	Councillor Paul Collins	25.10.2024
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