

This Report will be made public on 22 September 2020



Report Number **AuG/20/09**

To: Audit & Governance
Date: 30 September 2020
Status: Non key decision
Head of service: Charlotte Spendley, Director – Corporate Services
– Section 151 Officer
Cabinet Member: Cllr David Monk, Leader of the Council

SUBJECT: REVIEW OF CORPORATE RISK REGISTER

SUMMARY: This report provides an update to the Corporate Risk Register.

REASONS FOR RECOMMENDATIONS:

It is essential that the Committee regularly review the Risk Register to consider progress made against agreed actions, and consider the key risks faced by the organisation.

RECOMMENDATIONS:

1. To receive and note the updated Corporate Risk Register.

1. BACKGROUND

- 1.1 The Risk Management Policy and Strategy was updated and agreed by Cabinet in December. Both Cabinet and this committee considered the Risk Register at their December meetings.
- 1.2 Effective risk management is a key framework in the management of a complex organisation such as Folkestone & Hythe District Council. The strategy seeks to provide Members and officers with a clear framework by which to work within, as well support the development of a risk management culture within the Council.

2. UPDATE TO CORPORATE RISK REGISTER

- 2.1 The updated Corporate Risk Register has been appended in full to this report (Appendix 1). For ease of reference the changes to the Risk Register have been highlighted. Additionally the Risk Matrix, which is a pictorial snapshot of the current level of risks faced by the Council is available within Appendix 2.
- 2.2 The current Corporate Risk Register identifies 14 risks (following the addition of two risks), which can be categorised as 2 low level risks, 3 moderate and 5 high and 4 extreme level risk (previously 1 low level risks, 5 moderate and 4 high and 2 extreme level).

- 2.3 The key changes made include:

C1 – Organisational Instability – the impact has been reduced to 2 (moderate) from 3 (significant) bringing the overall level of risk to a low level risk, following completion of a further phase of the transformation programme, changes to the job market, and progress on the corporate plan and governance workstreams.

C2 – Shortage of Skills to deliver agenda – the overall score has been increased to a high level risk to reflect the impact of the additional duties being placed with the Council as a result of the pandemic.

C4 – Medium Term Financial Uncertainty – the overall risk has been increased to reflect the impact of the pandemic on the Councils own financial resources and the delays to announcements on changes to Local Government funding reform. Work is underway to reassess the MTFS to help manage this risk.

C5 – Brexit / Wider Market Conditions– this risk has been reinstated following the decision to exit in December 2020, additionally COVID-19 has had added further complexities to the economic market the Council operates within.

C7 – Capacity & Financial Resilience of key partners – this risk has increased to reflect the wider impacts of COVID-19 on key partners such as the NHS, voluntary sector, leisure trusts etc

C8 – Failure to deliver Transformation – this risk has been reduced to a low level risk to reflect the project progress to date

C10 – Risk of non-compliance – this risk has been reduced (and is anticipated to continue to reduce based on work undertaken) to reflect the improvements to LGSR compliance. Additionally the Council adopted its Local Plan in September 2020.

C13 - Landlord failure – this risk has been reduced to reflect the work undertaken to date to return the service in house on 1 October and is also anticipated to continue to reduce based on work undertaken.

C14 – COVID 19 – this is a new risk identified on the register at a high level, whilst the impact of the pandemic has been reflected within the individual risks where relevant, because of the significance of the risk it was felt appropriate to include a specific risk to monitor and manage the overall impact.

Other narrative changes have been made to the register to reflect the current position, but they will not in every instance require a change in scoring.

3. SUMMARY & NEXT STEPS

3.1 The Risk register will continue to be monitored, and will be updated and reported to the next Audit & Governance Committee in December. The Risk Register should be a fluid document that will see risks be rescored often to reflect current circumstances.

3.2 There are a number of changes both in terms of scoring and in actions that reflect the work ongoing in respect of the identified risks for the organisation.

4. RISK MANAGEMENT ISSUES

4.1

Perceived risk	Seriousness	Likelihood	Preventative action
Failure to have a current Risk Management Policy & Strategy in place will cause inconsistencies in approach across the Council	Medium	Low	Policy & Strategy document is in place, relevant officers consulted, and organization wide training delivered. Work is ongoing to ensure all aspects risk are managed in line

			with the framework.
Failure to manage risks effectively could affect the Councils ability to deliver effectively on its Corporate Plan objectives, impact upon its deployment of resources or impact upon its reputation	High	Low	An up to date strategy framework is in place, training delivered and regular reporting occurring to both CLT and Audit & Governance Committee. CLT have also given a commitment to continue to develop the attitude towards Risk Management within the organisation.

5. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

Legal Officer's Comments (AK)

There are no legal implications arising directly from this report

Finance Officer's Comments (CS)

There are no direct financial implications of this report.

Diversities and Equalities Implications (CS)

There are no direct implications of this report.

6. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

Councillors with any questions arising out of this report should contact the following officer prior to the meeting

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The following background documents have been relied upon in the preparation of this report:

Appendices:

- Appendix 1: Corporate Risk Register
- Appendix 2: Risk Matrix