



CORPORATE GOVERNANCE COMMITTEE – 29 JANUARY 2021

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

RISK MANAGEMENT UPDATE

Purpose of the Report

1. One of the roles of the Corporate Governance Committee is to ensure that the Council has effective risk management arrangements in place. This report assists the Committee in fulfilling that role by providing a regular overview of key risk areas and the measures being taken to address them. This is to enable the Committee to review or challenge progress, as necessary, as well as highlight risks that may need to be given further consideration. This report covers:
 - The Corporate Risk Register (CRR) – summary of risks;
 - Recovery planning (Covid-19) – update;
 - Review and revision of the Risk Management Policy & Strategy

Corporate Risk Register (CRR)

2. Within the County Council's Constitution, Article 9.03 'Role and Function of the Corporate Governance Committee' states that the Committee shall have responsibility for the promotion and maintenance within the Authority of high standards in relation to the operation of the Council's Code of Corporate Governance with an emphasis on ensuring that an adequate risk management framework and associated control environment is in place.
3. The Council maintains Departmental Risk Registers and a Corporate Risk Register (CRR). These registers contain the most significant risks which the Council is managing, and which are 'owned' by Directors and Assistant Directors.
4. The CRR is designed to capture strategic risk that applies either corporately or to specific departments, which by its nature usually has a long time span. The CRR is a working document and therefore assurance can be provided that, through timetabled review, high/red risks will be added to the CRR as necessary. Equally, as further mitigation actions come to fruition and current controls are embedded, the risk scores will be reassessed, and this will result in some risks being removed from the CRR and reflected within the relevant departmental risk register.

5. The current risks on the CRR last presented to the Committee on 25 November 2020 are shown in Appendix 1 attached to this report. The impact and likelihood are shown below each current risk score. Movements since the CRR was last presented are detailed below:

Risk added

Environment & Transportation – Risk 4.3 - If as a result of the impacts of the coronavirus pandemic bus operators significantly change their services, then there could be substantial impacts on communities accessing essential services and lead to required intervention under our Passenger Transport Policy and Strategy.

Risks Removed

All – Risk 6.1 – EU Transition – If a formal trade agreement between the UK and EU is not in place at the end of the transition period, the UK will be treated by the EU as a third country. Trade arrangements will differ, and goods will be subject to full third country controls and a variety of border checks.

The Assistant Chief Executive is satisfied that the risks identified in the Reasonable Worst Case Scenario did not materialise on transition as the UK and EU reached a trade deal

Children & Family Services – Risk 10.1 – Partnerships - If the Local Authority and its partners do not succeed in developing an inclusive culture across all schools, education providers and partner agencies (including the Parent Carer Forum), then it will be difficult to secure parental confidence in the ability of the 'whole system' to meet the needs of the large majority of children with SEND in a mainstream school context

The context of this risk is deemed to be covered within corporate risk 1.6 - If demand for Education Health and Care Plans continues to rise, and corrective action is not taken, there is a risk that the high needs deficit will continue to increase.

Risk Descriptions Amended

All - Risk 7.2 – Recruitment and retention - If departments are unable to recruit and retain skilled staff promptly then some services will be over reliant on the use of agency staff resulting in budget overspends and poor service delivery.

Amended to – If departments are unable to promptly recruit and retain staff with the right skills and values and in the numbers required to fill the roles needed, then the required/expected level and standard of service may not be delivered, and some services will be over reliant on the use of agency staff resulting in budget overspends and lower service delivery.

A&C - Risk 7.3 - If the department does not have a sustainable external workforce to work with it may be unable to meet its statutory responsibilities.

Amended to – If the Department fails to develop and maintain a stable, sustainable and quality social care market to work with it may be unable to meet its statutory responsibilities.

6. In accordance with the Committee's request at its meeting on 25 November 2020, a presentation will be provided as part of this item on the amended Corporate Risk 7.3 (If the Adults and Communities Department fails to develop and maintain a stable, sustainable and quality social care market to work with it may be unable to meet its statutory responsibilities).

Recovery Planning - COVID-19

7. In early September, updated guidance to support interim service delivery planning was produced. This is based on a revised understanding of the impact of the pandemic on the Council's strategic priorities and implications for future service delivery. The updated interim plans are required to enable service delivery through to April 2021, although planning has been recognised as an iterative and flexible process which is dependent upon various factors, including the recurrence of localised and national 'lockdown' arrangements.
8. The updated guidance focuses on the key considerations to be covered within interim plans, such as the need to minimise additional expenditure, and to ensure a continuing focus on the wellbeing of staff. The guidance also provides for support, advice and challenge - where necessary, made available through corporate business partners and subject matter leads. Following the recent move to a national lockdown position, work is now underway to ensure planning arrangements to support interim service delivery from April 2021 onwards.
9. Heads of Service across Departments continue to apply updated considerations in revising interim service delivery plans with Departmental Management Teams (DMTs) receiving and agreeing those plans. Departmental Risk Registers have also been updated, based on key strategic risks identified through this process which may affect delivery of Departmental objectives.
10. Scenario planning following the introduction in mid-October of the tiering & lockdown system continues to be utilised and regularly updated, tracking changes to government guidance. Work continues on identifying and managing key service changes and responses required and potential financial and service delivery risks.
11. Members will continue to be kept informed on any changes to service delivery as a result of this scenario planning work, through updated Departmental Position Statements.

Risk Management Policy and Strategy

12. The Council's Risk Management Policy and Strategy has been reviewed and revised and will be submitted as an appendix to the report on the Medium-Term Financial Strategy to the Cabinet on 5 February and full Council on 17 February.
13. Within its Terms of Reference, this Committee has a responsibility to monitor the arrangements for the identification monitoring and management of strategic and operational risk within the Council. Therefore, the recommendation to Cabinet is to approve the Risk Management Policy and Strategy subject to consideration by the Corporate Governance Committee with delegation to the Director of Corporate Resources to amend it if necessary. A copy of the revised Policy and Strategy is included in Appendix 2.

Recommendations

It is recommended that the Committee:

- a) Approves the current status of the strategic risks facing the County Council;
- b) Makes recommendations on any areas which might benefit from further examination and identify a risk area for presentation at its next meeting;
- c) Notes the updates regarding
 - (i) Recovery planning (Covid-19)
 - (ii) The Risk Management Policy and Strategy

Resources Implications

None.

Equality and Human Rights Implications

None.

Circulation under the Local Issues Alert Procedure

None.

Background Papers

Report of the Director of Corporate Resources – 'Risk Management Update' – Corporate Governance Committee, 18 January 2019, 10 May 2019 and 1 November 2019, 31 January 2020, 12 June 2020 and 24 July 2020.

<http://politics.leics.gov.uk/ieListMeetings.aspx?Committeeld=434>

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Appendices

Appendix 1 - Corporate Risk Register Update
Appendix 2 - Risk Management Policy and Strategy

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