

| | |
|--|--|
| REPORT TO: | GENERAL PURPOSES AND AUDIT COMMITTEE 04 April 2019 |
| SUBJECT: | Corporate Risk Register |
| LEAD OFFICER: | Director of Finance, Investment & Risk & S151 Officer |
| CABINET MEMBER | Councillor Simon Hall, Cabinet Member for Finance and Resources |
| WARDS: | All |
| CORPORATE PRIORITY/POLICY CONTEXT: | |
| <p>This report presents the corporate risk register as at April 2019 as part of the General Purposes and Audit Committee's role of overseeing the risk management framework and receiving assurance that significant corporate (Red) risks are identified and mitigated by the organisation. This process will ensure that the risk management function will continue to contribute to the achievement of the Council's vision, key priorities and objectives.</p> <p>In line with the Council's commitment to openness and transparency, the corporate risk report will appear in Part A of the agenda unless there is specific justification for any individual entries being considered under Part B (set out under Paragraph 3 of Schedule 12A of the Local Government Act 1972 as amended).</p> | |
| FINANCIAL SUMMARY: No additional direct financial implications. | |
| FORWARD PLAN KEY DECISION REFERENCE NO.: N/A | |

1.1 RECOMMENDATIONS

The Committee is asked to:

Note the contents of the corporate risk register as at April 2019

2. EXECUTIVE SUMMARY

2.1 The report updates the General Purposes & Audit Committee Members on the corporate risk register (the register) as at April 2019.

3. DETAIL **Risk Register Report**

3.1 The register presented details all the current corporate risks rated at a total risk score of 20 and above (Red Risks).

3.2 Since the register was last considered by Members, the following risks have been escalated:

- **RCSCFS0094: Britain's EU referendum (23/06/2016) resulted in the decision for the UK to exit membership from the EU. Article 50 (Treaty of Lisbon) was triggered by the UK Government on 29/03/2017 formalising the process for exit negotiations for the UK with the remaining EU member countries.**
- The risk was reviewed at Departmental Leadership Team (DLT) meeting on 11/12/2018 and assessed at a risk score of 20 from a previous risk score of 16. The risk score was escalated as the DLT were concerned following the extensive parliamentary debates and subsequent postponement of the vote concerning ratification of the formal agreement between the European Union and the UK. DLT could not strategically determine the appropriate preparations required for the UK exit from the EU.
- **EYE0009: Increasing population with complex learning needs and parental expectations leads to rising demand and financial pressure on SEN fixed budgets including pressure on High Needs DSG budget. There is currently a £4.5m budget pressure and a cumulative £13m deficit.**
The risk was reviewed at Departmental Leadership Team (DLT) meeting on 06/12/2018 and assessed at a risk score of 20 from a previous risk score of 16. The risk score was escalated as the DLT felt that despite the controls they had initiated to mitigate, the numbers of referrals was consistently increasing and placing significant additional financial pressure on the Council.
- **EYE0003: We have a number of schools in a deficit position with loans from LBC. The risk is that of default or increase in arrears. The total deficit is over £3 million.**
The risk was reviewed at Departmental Management Team (DMT) meeting on 21/01/2019 and assessed at a risk score of 20 from a previous risk score of 16. The risk score was escalated as the DMT felt that the likelihood of the number of schools in deficit would increase from 'highly likely' to 'almost certain' with the value of the deficit achieving as a minimum £3million.

3.3 No risk(s) have been de-escalated since the report was last considered by Members

3.4 In line with the Council's commitment to openness and transparency, the register will appear with the corporate risk report in Part A of the agenda unless, in accordance with the Access to Information Procedure Rules in the Council's Constitution there is specific justification for any individual entries being considered under Part B (set out under Paragraph 3 of Schedule 12A of the Local Government Act 1972 as amended).

- 3.5 It should be noted that some of the grounds for exemption from public access are absolute. However, for others such as that in para.3, 'Information relating to the financial or business affairs of any particular person (including the authority holding that information)', deciding in which part of the agenda they will appear, is subject to the further test of whether, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

4. FINANCIAL CONSIDERATIONS

- 4.1 There are no additional financial considerations arising from this report.

(Approved by Lisa Taylor – Director of Finance, Investment & Risk and S151 Officer)

5. COMMENTS OF THE COUNCIL SOLICITOR AND MONITORING OFFICER

- 5.1 The Council Solicitor advises that there are no additional legal considerations arising from this report.

(Approved by: Sean Murphy, Interim Director of Law & Monitoring Officer)

6. HUMAN RESOURCES IMPACT

- 6.1 There are no additional Human Resources implications arising from this report.

(Approved by: Sue Moorman, Director of HR)

7. EQUALITIES, ENVIRONMENTAL AND CRIME AND DISORDER REDUCTION IMPACTS

- 7.1 None

8. RISK ASSESSMENT

- 8.1 No further risk issues other than those detailed in the report.

- 8.2 The corporate Risk Management Team (RMT) incorporates a '**horizon scan**' strategy in respect of the risk management activities undertaken as part of the Council's Risk Management Framework.

- 8.3 The horizon scan strategy is implemented through the distillation of cross – organisational & external professional networks maintained by the RMT. This strategy incorporates a multi-faceted approach including:

- Intelligence sharing (especially in respect of significant events / incidents) with other local authorities such as the Local Government Association;
- Collaborative working particularly the London Boroughs network, London Councils and the Greater London Authority;

- Research conducted via professional and generic media mechanisms for
example The Association of Local Authority Risk Mangers, CIPFA;
- Regular attendance at DMT's / DLT's on a quarterly basis;
- Participation in the relevant 'working group' activities / projects for
example
major systems implementation such as Oracle Cloud, or
policy/legislative change implementation such as IR35 compliance;
and
- The ability to 'add value' and strategic direction and guidance is an
integral
aspect of the risk management consultancy available to senior officers.

9. FREEDOM OF INFORMATION/DATA PROTECTION CONSIDERATIONS

- 9.1 Information contained in the Council's Risk register or held in relation to the Council's risk management procedures may be accessible under the Freedom of Information Act subject to the application of any relevant exemptions, such as commercial sensitivity and whether disclosure was in the 'public interest'.

| | |
|------------------------------|---|
| CONTACT OFFICER: | Malcolm Davies, Head of Risk & Corporate Programme Office Ext 50005 |
| BACKGROUND DOCUMENTS: | Appendix 1 Corporate Risk Register |