

REPORT TO:	AUDIT & GOVERNANCE COMMITTEE
DATE OF DECISION:	19 October 2023
REPORT TITLE:	Corporate Risk Register
CORPORATE DIRECTOR/DIRECTOR:	Jane West Corporate Director Resources & S151 Officer
LEAD OFFICER:	Malcolm Davies Head of Anti-Fraud, Risk & Insurance Malcolm.davies@croydon.gov.uk.
LEAD MEMBER:	Councillor Jason Cummings, Cabinet Member for Finance
AUTHORITY TO TAKE DECISION:	The Committee's terms of reference include monitoring the Council's risk management arrangements and providing independent assurance as to their adequacy.
KEY DECISION:	N/A
CONTAINS EXEMPT INFORMATION?	NO Public 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).
WARDS AFFECTED:	All

1 SUMMARY OF REPORT

1.1 The report updates the Audit & Governance Committee Members on the corporate risk register (the register) as at October 2023.

2 RECOMMENDATIONS

The Committee is asked to:

2.1 Note the contents of the corporate risk register as at October 2023

3 REASONS FOR RECOMMENDATIONS

- 3.1** The report and accompanying appendix document presenting those risks recorded as 'high rated' or RED on the corporate risk register as at October 2023 are recommended to the committee to assist the Audit & Governance Committee in its role of overseeing the risk management framework and enable it to provide assurance that significant corporate (Red) risks are identified and mitigated by the Council.
- 3.2** To assist the Council in meeting its best value duty.

4. BACKGROUND AND DETAILS

Risk Register Report

- 4.1** The register presented details all the current corporate risks rated at a total risk score of 20 and above (Red Risks).
- 4.2** Since the register was last considered by Members in March there has been a significant amount of activity to embed improvements in the approach to Risk Management. Individual engagement sessions/risk management refresh with Directors and Corporate Directors have now all been delivered as part of the organisational redesign implementation and access granted to the corporate risk management system (JCAD). In addition, all Executive Officers and Executive Support Officers have access to the corporate risk management system. This is to ensure that the top layers of management feel confident in reviewing, presenting and owning the risks which relate to their Division/Directorate.
- 4.3** Risk review dates for all Directors have now been aligned on a quarterly basis going forward, Quarter 2 reviews for 2023/24 have now been signed off on the risk system by the risk owners. Risk reviews on a quarterly basis with the Corporate Director are being informed/assured by Directors having signed off on their risks. This is in addition to a monthly review of all red risks at CMT. Further work is being done with risk owners with a particular focus on future control measures and review dates for future controls (risk improvements) and future risk ratings. This is where the registers could be further improved and where we are concentrating effort. To support this, an upgrade to the current risk system is scheduled which will aid the ongoing review of control measures as well as the roll out of new dashboard style reporting to aid Officers and Members oversee the corporate risk register.

- 4.4 As part of the on-going input provided to the Council to support its strategic/corporate risk management framework, a series of half day 'take a step back' risk workshops have been provided to Corporate Directors and their management teams at the start of October. These represent risk management best practice by challenging senior management to consider what is 'on their radar' now in terms of uncertainty in relation to the medium to long term, without reference to the current register, and then subsequently to consider whether those potential future events/outcomes are adequately captured and articulated on the corporate/strategic register.
- 4.5 The 'take a step back' workshops are being externally facilitated free of charge by the company Zurich Risk Services with the risk management bursary the council has as part of its insurance arrangements with Zurich Municipal. In addition, a risk management workshop session has been delivered as part of the workplan to assist Members with their understanding of the Croydon framework and to enable and support effective challenge and engagement with risk owners.
- 4.6 In addition to the activities noted above there have been a number of changes in relation to risk ownership as summarised below and all risks as above are subject to an on-going review. Members are reminded that they can request risk presentations in relation to any risk register entry where more detail/clarification is required.
- 4.7 Risks escalated to Red status since last review by Members:
- ASCI0016. Croydon Council Section 75 partnership with SLaM to deliver an Integrated Adults Mental Health Service. Risk of potential breach of local authority Care Act Statutory responsibilities
 - ASCI0019. It has been identified that information held in Controcc payments system and the care management system (LAS) may not be accurate or consistent.
 - CDS0026. Access Croydon staff and customers risks to safety as customer cohort can be unpredictable with residents presenting with sensitive issues
 - CIC0029. Corporate re-procurement of contracts left until very late, close to or passed contract expiry posing risk of procurement challenges.
 - EDCIP0003. Displaced People (Governance and Strategy) The council and the service may come under pressure and an increase in homelessness, extra pressure on temporary accommodation and ultimately the general fund. At present demand cannot be predicted and this risk needs to be regularly reviewed.
 - EHCSC0017. Gaps in Statutory Social Work Capacity - Family Assessment Service and Social Work with Families Service -The proportion of social workers holding unacceptably high caseloads remains a concern, most vacancies are covered by locum staff and therefore a risk to service standards.

- HO0012. Fail to Manage risks associated with Large Panel Systems residential blocks/HRB Portfolio.
- HSI0035. Fail to successfully mobilize the Gas Safe Contractor programme
- PR0043. Future waste collection and street cleansing contract costs. Risk that final tenders received for the new waste collection and street cleansing service are in excess of the profiled budgeted allocation for 2025 and beyond.
- TRA0003. Risk that the Transformation Programme is not sufficiently ambitious enough, with insufficient change and savings
- TRA0004. Risk that service capacity to deliver transformation projects may be limited by BAU activities and unexpected issues/emergencies may arise drawing capacity away from Transformation Projects
- VRN0060. Risk that the Council is unable to adequately respond to civil emergencies / incidents as per their duties within the Civil Contingencies Act 2004

4.8 Risks de-escalated from Red Status since the last review by Members:

- CIC0005. The investment strategy and income generating properties do not deliver the required financial benefits / targets. (High Amber)
- PH0007. The cost of living crisis , the long term in-direct impact of covid , plus the ongoing war in Ukraine continue to widen health inequalities in both physical and mental ill health and increase demand on all Council services. This is at a time where the council has to make challenging decisions around service provision. (Subsumed into risk FIR0063 Demand for council services)
- PP0028. Limited capacity in the EDI team means that the Council is unable to fully deliver against its Equality Strategy and EDI initiatives. (High Amber)
- CIC0025. Croydon Council companies: Robust governance, financial accounting treatment & risk management procedures/frameworks are not activated to safeguard the interests of the Council and it's taxpayers in respect of all subsidiary organisations where the Council has an interest. (High Amber)
- MO0003. Resources in Democratic services under significant strain leading to a risk to service delivery. (Subsumed in overall HR risk)
- PP0009. Improvement Plans and financial savings objectives are not achieved due to poor programme & project management behaviours. (Withdrawn)
- PP0021. Pipeline of projects exceeding current PMO resources (Withdrawn)

- PST0025. Development Management cannot recruit sufficient appropriately trained staff to manage workload and address backlog and fee income generated does not cover staffing needs. (High Amber).

4.9 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).

4.10 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.

5 ALTERNATIVE OPTIONS CONSIDERED

5.1 Not applicable

6 CONSULTATION

6.1 Not applicable

7 CONTRIBUTION TO COUNCIL PRIORITIES

7.1 To assist the Council in meeting its best value duty.

8 IMPLICATIONS

8.1 None other than those identified in the body of the report.

9.1 FINANCIAL CONSIDERATIONS

9.1.1 There are no direct financial implications arising from noting this report.

9.1.2 The Council's financial reporting and medium-term financial strategy takes account of the risk management framework, to consider the potential financial implications of risks.

(Comments approved by Lesley Shields, Head of Finance for Assistant Chief Executive and Resources on behalf of the Director of Finance. 19/9/23)

9.2 LEGAL CONSIDERATIONS

- 9.2.1 The Audit and Governance Committee is required by its terms of reference to monitor the effective development and operation of the Council’s risk management arrangements, to monitor progress in addressing risk-related issues reported to the Committee, and to provide independent assurance to the Council of the adequacy of the risk management framework and the internal control environment. Therefore, periodic updates on the Corporate Risk Register are provided to assist Members with this responsibility.
- 9.2.2 Separately, the management of risk has a direct impact on the Council’s ability to deliver its functions in a manner which promotes ‘economy, efficiency and effectiveness’ (Section 3 Local Government Act (LGA) 1999). The best value duty applies to all functions of the Council. The Council is currently the subject of Directions from the Secretary of State requiring service improvement and transformation. Therefore, the consideration of this report also seeks to demonstrate the Council’s compliance with its Best Value Duty under the Local Government Act 1999.
- 9.2.3 Under Regulation 3 of the Accounts and Audit Regulations 2015, the Council must ensure that it has a sound system of internal control which facilitates the effective exercise of its functions 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. This report also seeks to demonstrate compliance with these legal duties.

(Approved by: Sandra Herbert, Head of Litigation and Corporate Law on behalf of the Director of Legal Services and Monitoring Officer Stephen Lawrence-Orumwense) (25/9/2023)

9.3 EQUALITIES IMPLICATIONS

- 9.3.1 None

OTHER IMPLICATIONS

9.4 HUMAN RESOURCES IMPACT

- 9.4.1 There are no immediate human resource considerations arising from this report. Any impacts arising will be managed under the Council’s HR policies and procedures.

Comments approved by: Gillian Bevan, Head of HR – Resources and Assistant Chief Executives directorates on behalf of Dean Shoesmith, Chief People Officer. 19/9/23

9.5 ENVIRONMENTAL AND CRIME AND DISORDER REDUCTION IMPACTS

- 9.5.1 None

9.6 RISK IMPLICATIONS

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

9.7 DATA PROTECTION IMPLICATIONS

9.7.1. WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?

No.

No personal data is processed as part of the production of the Corporate Risk Register.

9.7.2. HAS A DATA PROTECTION IMPACT ASSESSMENT (DPIA) BEEN COMPLETED?

No.

Not applicable as no personal data is processed as part of the production of the Corporate Risk Register

10. APPENDICES

Appendix 1 Corporate Risk Register

Appendix 2 Risk Scoring Matrix

11. BACKGROUND DOCUMENTS: None
