

16 January 2024

Report of	Head of Governance and Monitoring Officer	Author	Hayley McGrath ☎ 508902
Title	Risk Management Progress Report		
Wards affected	Not applicable		

1. Executive Summary

- 1.1 Effective management of risk is essential to ensuring that the Council's aims and objectives are achieved. This report provides members with an overview of the Council's risk management activity during the period from 01 April to 30 September 2023.
- 1.2 The Council has a comprehensive risk management process that is embedded across the organisation. This includes a strategic risk register, which is the responsibility of the Senior Leadership Board, operational risk registers which are produced by each service and specific risk mitigation initiatives.
- 1.3 The key strategic risks are:
 - Organisational Resilience
 - Budget Strategy
 - Economic Climate
 - Cyber & Data Security
 - Workforce wellbeing.
 - Financial Inequality

2. Recommended Decisions

- 2.1 Consider and comment on the Council's progress and performance in managing risk during the period from April to September 2023.
- 2.2 Consider and comment on the current strategic risk register.

3. Reason for Recommended Decisions

- 3.1 The Risk Management Strategy, which forms part of the Council's Policy Framework, identifies the Governance and Audit Committee as being responsible for reviewing the effectiveness of the risk management process and reporting critical items to Cabinet as necessary.
- 3.2 Six monthly progress reports, detailing work undertaken and current issues, are provided to assist with this responsibility.

4. Alternative Options

- 4.1 There are no alternative options to consider.

5. Background Information

- 5.1 The aim of the Council is to adopt best practice in the identification, evaluation, cost-effective control and monitoring of risks across all processes, to ensure that risks are properly considered and reduced as far as practicable.
- 5.2 In broad terms risks are split into three categories:
- Strategic – those risks relating to the long-term goals of the Council
 - Operational – risks related to the day-to-day operation of services
 - Project – the delivery risks of specific initiatives.
- 5.3 Identified risks, in all three categories, are judged against levels of probability and impact to give them an overall score. This allows the risks to be shown as 'high, medium or low' which enables a prioritised action plan to be set for managing risks. A high score does not mean that a risk has, or will definitely, occur.
- 5.4 In many cases the causes of risks are outside of the Council's control, such as general economic issues. The Council cannot stop these risks from occurring (the probability score) but can put plans in place to mitigate against their effect if they occur (the impact score). Likewise, there are occasions that risks can be reduced with preventative actions but there is not much that can be done to mitigate their effect if they do occur, such as a failure to protect public resources. Therefore, some risks will tend to maintain the same score, regardless of the controls that the Council puts in place.

6. Work undertaken during the period

- 6.1 A considerable amount of the work undertaken during the period concentrated on the governance and risk control of the Council's subsidiary companies. This included:
- 6.1.1 Continued development and implementation of the governance recommendations contained in the external reviews of Colchester Borough Homes (CBH) and Colchester Commercial (Holdings) Ltd (CCHL). Full Council at its meeting in July 2023 agreed changes to the Articles in the Constitution which included a new Article 16 which strengthened the governance and reporting arrangements for the companies.
- 6.1.2 Amending the procedural rules for the Governance and Audit Committee to reflect the fact that it is the designated shareholder committee for all Council's subsidiary companies, strengthening the Council's oversight and governance of the companies objectives.
- 6.1.3 Creation of an Oversight Group which brought together senior officers of the Council, CCHL and CBH and the chair of Governance and Audit Committee together with cabinet members, to consider the direction and overview of the companies.
- 6.2 A streamlined process to manage and resolve housing disrepair claims was developed and implemented which brings regularly together senior CBH, Council Governance and Legal officers in order to triage and resolve potential issues at an early stage.
- 6.3 The reporting programme for the Strategic Risk Register to Senior Leadership Board has been revised. The register is now a standing item at every monthly meeting and the risks are reviewed, and updated, each month. Previously the register was reported to senior management every quarter. The Heads of Service also now have a greater input in to the strategic risks and the necessary controls.

6.4 Following on from the changes to the reporting cycle for the Strategic Risk Register, work has been undertaken to develop a more comprehensive SharePoint site for Risk Management that will allow easier, and real time, access to all registers, including information relating to project risks.

6.5 Following on from the last report to this committee in July 2023, the revised Risk Management Strategy has been agreed by Cabinet and Full Council, without amendment, and the Policy Framework has been updated accordingly.

7 Strategic Risk Register

7.1 The current Strategic Risk Register is attached at Appendix A with the score matrix attached at Appendix B. The register was last reviewed by Senior Leadership Board in December 2023.

7.2 Risk H, Corporate Assets was amended as a result of the review – with the inclusion of the impacts of climate change on the Council’s assets. The initial risk score increased from 12 (probability 4, impact 3) to 16 (probability 4, impact 4) with the residual risk score, after mitigations, increasing from 9 (probability 3, impact 3) to 12 (probability 3, impact 4).

7.3 A new risk, K – External Funding, was added to the register. This recognises the increasing reliance by the Council on externally provided funding and grants to deliver key services and projects.

8. Equality, Diversity and Human Rights implications

8.1 There are no equality, diversity or Human Rights implications as a result of this report.

9. Strategic Plan References

9.1 The Strategic Risk Register reflects the objectives of the strategic plan and the actions have been set with due regard to the identified key strategic risks. Therefore, the risk process supports the achievement of the strategic objectives.

10. Risk Management Implications

10.1 The failure to adequately identify and manage risks may have an effect on the ability of the Council to achieve its objectives and operate effectively.

11. Environmental and Sustainability Implications

11.1 There are no environmental or sustainability implications as a result of this report.

12. Other Standard References

12.1 There are no particular references to consultation or publicity considerations or financial, community safety or health and safety implications.

Appendices

Appendix A – Strategic Risk Register @ 13 December 2023

Appendix B – Strategic Risk Register score matrix