

To: Audit and Governance Committee
Date: 20 October 2021
Report of: Head of Financial Services
Title of Report: Risk Management Reporting as at 30 September 2021

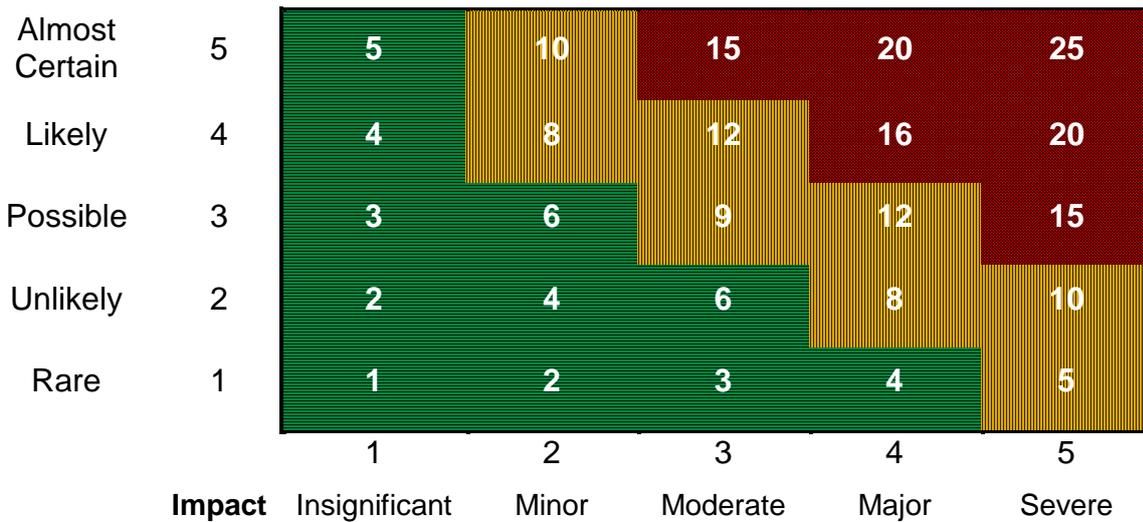
Summary and recommendations	
Purpose of report:	To update the Committee on both corporate and service risks as at 30 September 2021
Key decision:	No
Cabinet Member with responsibility:	Councillor Ed Turner, Cabinet Member for Finance and Asset Management
Corporate Priority:	
Policy Framework:	
Recommendations: that the Committee reviews the risk management report and notes its contents	

Appendices	
Appendix A	Corporate Risk Register – shortened version
Appendix B	Corporate Risk Register – including controls

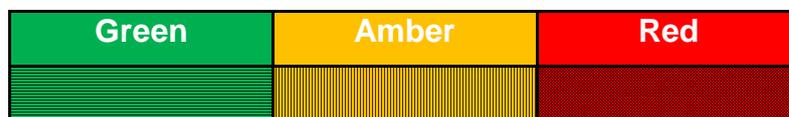
Risk Scoring Matrix

1. The Council operates a 'five by five' scoring matrix based on probability and impact. The methodology for scoring risks is set out below along with a copy of the scoring matrix or 'heat map'.
2. It is possible to get the same score but end up with a different result in the heat map. For example if the probability of an event occurring is high but the impact is low it is likely to have a lower rating on the heat map. However, the higher the potential impact score the more likely the event will be classed as a red risk on the matrix.
3. The risk prioritisation matrix is shown below.

Probability



Key:



Risk Identification

4. **Corporate Risks** – The Corporate Risk Register (CRR) is reviewed by the Corporate Management Team (CMT) on a periodic basis, any new risks are incorporated into a revised version of the CRR. Risk owners of corporate risks are generally Executive Directors.
5. **Service Risks** – Service Area risks are reviewed periodically by Heads of Service and Service Managers. The Financial Accounting Manager has oversight of all risks and on a quarterly basis will review service risks to determine whether they should be considered for inclusion in the Corporate Risk Register.
6. **Project and Programme Risk** – The Council adopts the principles of Prince2 and agile methodologies in addition to recognised industry standards in construction for managing projects. Incorporated within these methodologies is a robust process for the management of risk within a project environment. Each project is managed by the Project Manager who controls and co-ordinates all aspects of the project through to conclusion.

Corporate Risk Register

7. The Audit and Governance Committee receive information on risk on a quarterly basis. The Council has changed the system that it uses to record risks and so the risk appendix has changed in format. The Corporate Risk Register (without controls listed) is attached at Appendix A as at 30 September 2021. The Corporate Risk Register (including controls) is attached at Appendix B as at 30 September 2021.

Corporate Risk Register – 30 September 2021

8. The number of Red risks has remained at three.
9. Details of the Red risks are as follows:
 - **Housing** – the Council has key priorities around housing which include ensuring housing delivery and supply for the City of Oxford and enabling sufficient house building and investment. Insufficient housing in Oxford leads to an increase in homelessness which has an impact on residents. There are also health and quality of life issues. The Council is implementing delivery methods for temporary accommodation and accommodation for homelessness prevention which include a rent guarantee scheme, a growth deal to facilitate additional affordable housing and a tranche of property purchases to be delivered via real lettings. In addition the Council's housing companies are in the process of constructing new affordable homes and the Cabinet has approved plans which will result in the Council's Housing Revenue Account ("HRA") purchasing the social housing using its new borrowing headroom, following the removal of the HRA borrowing cap by central government. This has become more challenging in the short term due to the Covid-19 pandemic which has paused any delivery in the housing supply.
 - **Economic Growth** – this relates to local, national or international factors adversely affecting the economic growth of the City. Despite some positive trends, the Risk still remains at Red. Issues relating to inflation, labour market supply, global economy, COVID levels locally, border arrangement, local business support being scaled back and business rates commencing suggests that there are still numerous risks.
 - **Negative Impacts of Climate Change** - The Council has made action on climate change one of its corporate priorities and has stepped up its programme of action, partnering and influencing to seek to mitigate social health and environmental impacts on the City. The Oxford Flood Alleviation Scheme (OFAS) scheme continues to progress. Work is ongoing through Zero Carbon Oxfordshire Partnership (ZCOP) to reduce carbon emissions across the City. Tighter air quality emission standards have been recommended by the World Health Organisation (WHO) and may be considered for adoption by the UK Government
10. No risks have been closed in the period.
11. The table below shows the levels of Red, Amber and Green current risks over the last 12 months.

Current Risk	Q3 2020/21	Q4 2020/21	Q1 2021/22	Q2 2021/22
Red	3	5	3	3
Amber	7	7	11	10
Green	2	2	0	1
Total risks	12	12	14	14

Service Risk Registers – 30 September 2021

12. Each year as part of the service planning process, all service risks are reviewed, those no longer relevant are deleted, and any new ones are added.
13. The table below shows the number of service risks as at 30 September compared with the last 12 months.

Current Risk	Q3 2020/21	Q4 2020/21	Q1 2021/21	Q2 2021/22
Red	4	5	9	8
Amber	34	49	48	49
Green	14	14	8	10
Total risks	52	65	65	67
New risks in quarter	2	13	0	2
Closed	0	0	0	0

14. The number of Red risks has reduced to eight.

15. Details of the Red risks are as follows:

- **Community Services** - this relates to Budget and Income from Event Hire. More flexibility is being given to event organisers regarding lead in times required to process events and this includes being flexible in respect of fee categories where necessary in order to support event organisers put on events during this difficult roadmap and economic time but only where safe and legal to do so.
- **Financial Services** – this relates to Management effectiveness and employee ability to deliver services due to the Covid-19 pandemic. This has increased workloads and the volume of emails, which together with the many on-line meetings is placing excessive pressure and demands on staff and managers.

- **Planning** – this relates to delays to Council projects caused by outside agencies. Greater collaboration is in place on key projects with a proactive approach to intervention and communications.
- **Planning** – this relates to Government legislation resulting in substantial changes to the planning system leading to the need to redesign processes and procedures.
- **Regeneration & Major Projects** – this relates to Health & Safety in relation to poor health and safety compliance due to inconsistent levels of experience and training. A Health & Safety training protocol has been developed which is being rolled out to all Project Managers.
- **Regeneration & Major Projects** – this relates to Support Team Capacity which can cause delays to projects. Resource pressures are extremely high. Work is being progressed to look at the ability of support services to capitalize time against projects to fund the resources necessary.
- **Regulatory Services** – this relates to Public Health Protection. The rise in Covid-19 cases remains high with an increase of 51% in Oxford last week. Winter approaching with anticipated pressures.
- **Housing Services** – this relates to increased homelessness costs which has been additionally impacted due to the Covid-19 crisis.

Business Continuity

16. The Council continues to respond to the COVID-19 pandemic in compliance with Government guidelines. Most staff continue to work from home and all work which couldn't be carried out within Government guidelines has ceased. The locality hubs continue to support vulnerable people and accommodation has been made available for all rough sleepers. St Aldates Chambers Customer Service Centre has re-opened offering residents' face-to-face meetings with staff. To ensure the protection of both staff and customers, significant Covid-19 health and safety measures have been put in place to ensure Covid-secure meetings.
17. The Councils plans for Restart, recovery and renewal is an ongoing process that helps anticipate, prepare, and respond to and recover from the impact of COVID-19. The Services will continue to deliver and develop effective processes to help mitigate risks to the smooth running and delivery of services, ensuring they can best continue to operate to the extent required in the event of COVID-19 and beyond. These include:
 - Task and finish groups
 - Identifying alternative strategies to mitigate further loss and assessing their potential effectiveness in maintaining ability to deliver critical and new - some unknown – service functions
 - Contract variations
 - New ways of working
 - Staff well-being and resilience
 - Service transformation (i.e. using skills and learning to create new structure)

- Budget review and re-prioritisation
- Generating new revenue
- Shielding the most vulnerable
- Healthy Place Shaping
- Strengthening and creating new partners
- Transforming the service business plan to help address new challenges and changing needs.

Risk Management

18. In order to monitor and ensure that there is a clear and consistent approach to the management of risk across the organisation, between services and between corporate and service levels, the Risk Management Group will be implementing the following action plan during 2021:-

1. Review of Corporate Risk Register - Risk Management Group (RMG) and Operational Delivery Group (ODG) Q1 2021
2. Sample check review of risks in connection with projects – RMG
3. Sample check review of service risks – RMG
4. Review of risk in companies and joint ventures - RMG
5. Review all Red Risks on a quarterly basis - RMG

Actions 2 to 4 are reviewed over the four meetings in the year in order to allow sufficient time for each area.

Climate Change/Environmental Impact

19. There are no specific impacts arising directly from this report

Equalities Impact

20. There are no equalities impacts arising directly from this report.

Financial Implications

21. There are no financial implications arising directly from this report.

Legal Implications

22. There are no legal implications directly relevant to this report but having proper arrangements to manage risk throughout the organisation is an important component of good corporate governance and good business management. There are some legal issues that may arise going forward in the business continuity process but these will be managed on a case by case basis.

Report author	Alison Nash
Job title	Finance Officer (Insurance)

Service area or department	Financial Services
Telephone	01865 252048
e-mail	Email: anash@oxford.gov.uk

List of background papers: None.

This page is intentionally left blank