

To: Audit and Governance Committee
Date: 27 January 2022
Report of: Head of Financial Services
Title of Report: Risk Management Reporting as at 31 December 2021

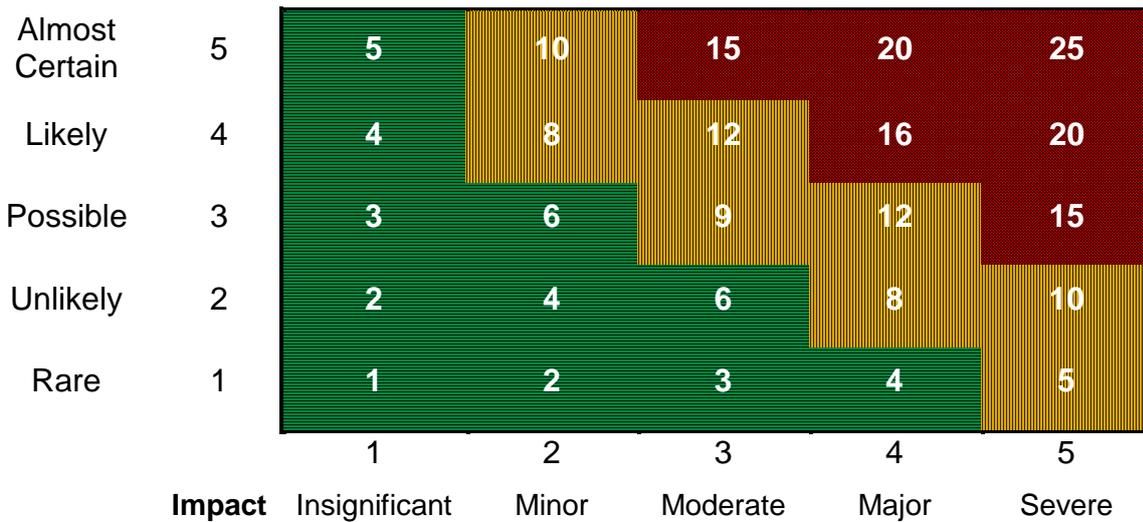
Summary and recommendations	
Purpose of report:	To update the Committee on both corporate and service risks as at 31 December 2021
Key decision:	No
Cabinet Member with responsibility:	Councillor Ed Turner, Cabinet Member for Finance and Asset Management
Corporate Priority:	All
Policy Framework:	Council Strategy 2020-24
Recommendation(s): 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

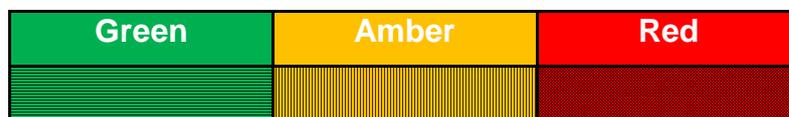
Risk Scoring Matrix

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 recently switched over the reporting processes for corporate risks from the current methodology using the CorVu application to a new set of procedures involving the use of Smart sheets. These are a more modern solution that aligns to the Business Intelligence vision using modern tools to provide data insights and data-led decision making. Due to this change in the reporting processes, the risk appendix has changed in format. The Corporate Risk Register (without controls listed) is attached at Appendix A as at 31 December 2021. The Corporate Risk Register (including controls) is attached at Appendix B as at 31 December 2021.

Corporate Risk Register – 31 December 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.
 - **Economic Growth** – this 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 and local business support being scaled back means 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 new risks have been added and no risks have been closed in this period.
11. The table below shows the levels of Red, Amber and Green corporate risks over the last 12 months.

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

Service Risk Registers – 31 December 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 31 December compared with the last 12 months.

Current Risk	Q4 2020/21	Q1 2021/22	Q2 2021/22	Q3 2021/22
Red	5	9	8	6
Amber	49	48	49	50
Green	11	8	10	12
Total risks	65	65	67	68
New risks in quarter	13	0	2	1
Closed	0	0	0	0

14. The number of Red risks has reduced to six. Two of the former Red risks have been reduced to Amber as sufficient controls have been implemented to reduce the risk.
15. Details of the Red risks are as follows:
- **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 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 so far services have continued to operate without interruption despite the rising numbers of infections in Oxford and the County. Locality hubs continue to support vulnerable people and accommodation has been made available for all rough sleepers as well as activating the severe weather emergency protocol (SWEP) when temperatures fall below zero. St Aldates Chambers Customer Service Centre offers residents' face-to-face meetings with staff by appointment only. 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 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 implemented the following action plan during 2021:-

1. Review of Corporate Risk Register – Risk Management Group (RMG) and Operational Delivery Group (ODG). Q1 2021
 - It was agreed the Red Risks all needed to remain. The wording around the risks in respect of Economic Growth and also Local Government Reorganisation were updated.
 2. Sample check review of risks in connection with projects – RMG
 - Reviewed Blackbird Leys and Gasworks Pipe Bridge projects. Project Risk Register templates are in a different format to the Corporate and Service Risk Registers. It was also ascertained that there were several versions of the Project Risk Register Template. In order to ensure consistency, one template has now been agreed and assigned to be used across all Projects.
 3. Sample check review of Service risks – RMG
 - Regeneration & Economy
 - Corporate Property
 - Law & Governance
 - Corporate Policy, Partnership & Communications
 4. Review of Risk in Companies and Joint Ventures – RMG
 - Oxford Direct Services and Oxford City Housing Ltd used a scoring risk matrix in a format not used by the Council. Going forward, the Companies now use the same scoring risk matrix as used by the Council to ensure consistency across the board.
 5. Review all Red Risks on a quarterly basis – RMG – Completed
19. The 2022 Risk Management Action Plan will be drawn up and agreed in the next Risk Management Group Meeting in Q1 2022.

Climate Change/Environmental Impact

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

Equalities Impact

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

Financial Implications

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

Legal Implications

23. 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.

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Background Papers: None

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