

To: Audit and Governance Committee
Date: 11 April 2022
Report of: Head of Financial Services
Title of Report: Risk Management Reporting as at 31 March 2022

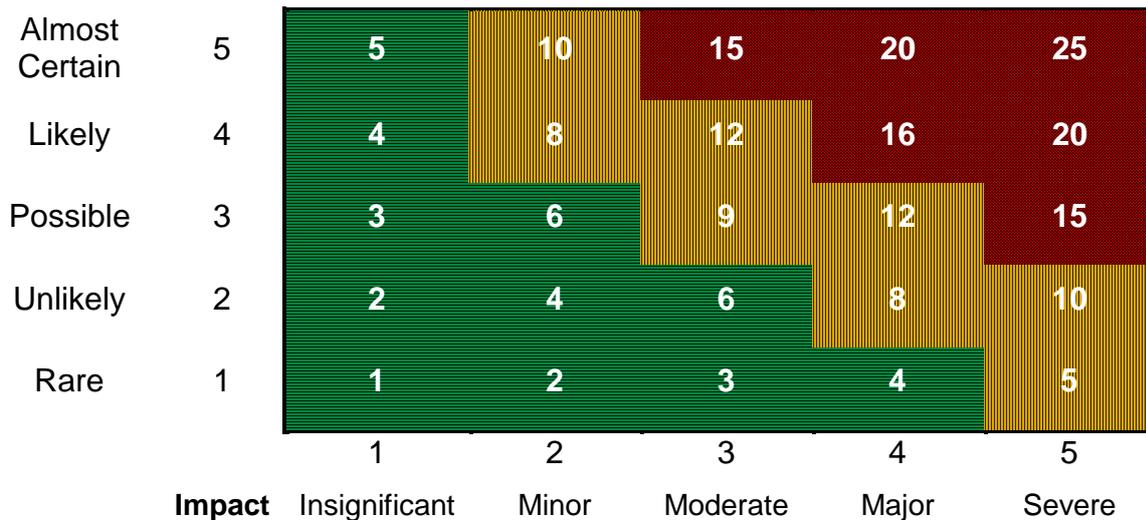
Summary and recommendations	
Purpose of report:	To update the Committee on both corporate and service risks as at 31 March 2022
Key decision:	No
Cabinet Member with responsibility:	Councillor Ed Turner, Cabinet Member for Finance and Asset Management
Corporate Priority:	All
Policy Framework:	Council Strategy 2020-24
Recommendations: that the Committee reviews the risk management report and notes its contents	

Appendices	
Appendix A	Corporate Risk Register

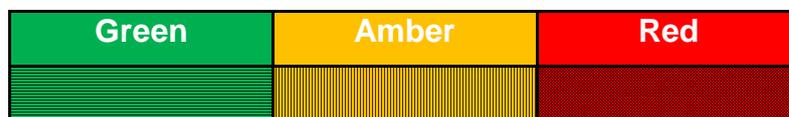
Risk Scoring Matrix

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. The Corporate Risk Register as at 31 March 2022 is attached at Appendix A.

Corporate Risk Register – 31 March 2022

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 relates to local, national or international factors adversely affecting the economic growth of the City. Whilst COVID-19 restrictions are beginning to be lifted, the supply chain challenges relating to Brexit, the war in Europe, energy security and related inflationary issues are a heightened risk.

The Council is able to affect this risk through the delivery of the Oxford Economic Strategy & City Centre Vision Action Plan. This aims to stimulate recovery through targeted measures and the Council will work with Economic Growth Board & City Centre Task Force and engage with businesses to understand long term impact of COVID & EU Transition, taking action where possible. Macroeconomic impacts are outside the Council's direct control but the effects can be managed and mitigated at the local level.

- **Negative Impacts of Climate Change** – areas of concern are Flooding, which is highly weather dependent; poor air quality and increased episodes of excess heat.

The Council does not have control over the global climate position but it can make changes and improvements within its sphere of influence. 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. Oxford City Council's Carbon Management Plan, ongoing work around flood mitigation, treeplanting and partnership with the EA-led programme to deliver the Oxford Flood Alleviation Scheme. Control measures relating to advocacy, clear communication and negotiation over our land assets, in particular at Seacourt and Redbridge Park and Ride sites (Seacourt extension) are also employed.

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	Q1 2021/22	Q2 2021/22	Q3 2021/22	Q4 2021/22
Red	3	3	3	3
Amber	11	10	11	11
Green	0	1	0	0
Total risks	14	14	14	14

Service Risk Registers – 31 March 2022

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 March compared with the last 12 months.

Current Risk	Q1 2021/22	Q2 2021/22	Q3 2021/22	Q4 2021/22
Red	9	8	6	7
Amber	48	49	50	48
Green	8	10	12	13
Total risks	65	67	68	68
New risks in quarter	0	2	1	0
Closed	0	0	0	0

14. The number of Red risks has increased to seven.
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 online meetings is placing excessive pressure and demands on staff and managers.
This risk is entirely within the control of the Council, although it cannot be fully controlled within the service area itself.
 - **Planning** – this relates to delays to Council projects caused by outside agencies. The probability of this risk occurring can only be influenced to a limited extent through greater collaboration on key projects but the impact can be influenced to a higher degree 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. The probability of this risk occurring is out of the Council's control, except through response to consultations, however the impact of the risk can be mitigated by maintaining responsiveness and plan for change.

Planning – this relates to New Partnership Challenges such as being unable to secure agreements in order to deliver work plan commitments or reach agreement with partners which can potentially result in the partnership failing. The Council can liaise with partners and partner councils and discuss potential resolutions, however the Council cannot entirely control this risk.

- **Regeneration & Major Projects** – this relates to Support Team Capacity which can cause delays to projects. Resource pressures are extremely high and additional resource has been agreed for Legal, Finance and the Property Team to support the delivery of projects.

Regulatory Services – this relates to Public Health Protection. With the continued presence of Covid-19, the importance of competent and experienced specialist staff; effective links with the CCDC and protocols for outbreak and control are a priority and the impact of this risk can be managed in this way.

Housing Services – this relates to increased homelessness costs which has been additionally impacted due to the Covid-19 crisis. Control measures include undertaking a review of the approach to temporary accommodation to ensure faster move-on, informed by the “Housing First” approach, undertaking work to look at options for stock rationalisation of temporary accommodation units and bidding for any further funding available from MHCLG to help fund provision for rough sleepers.

Business Continuity

16. With the Government announcing the end of all Covid related restrictions from 1 April, the City Council is currently reviewing its own office requirements, as well as offering flexible working arrangements whereby staff can work from home or the office as suits them, subject to any specific requirements of their role.
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 Council established a Risk Management Group. The Group met four times in 2021 and concluded the following against the action plan agreed for 2021:-

1. Review of Corporate Risk Register – Risk Management Group (RMG) and Operational Delivery Group (ODG).

- Monitored these and gave feedback.
- 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 – Ongoing

19. The 2022 Risk Management Action Plan will be drawn up and agreed in the next Risk Management Group Meeting 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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List of background papers: None.

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