

To: Audit and Governance Committee
Date: 20th January 2025
Report of: Head of Financial Services
Title of Report: Risk Management Reporting as at 31 December 2024

Summary and recommendations	
Purpose of report:	To update the Committee on corporate and service risks as at 31 December 2024
Key decision:	No
Cabinet Member with responsibility:	Councillor Ed Turner, Deputy Leader (Statutory) - Finance and Asset Management
Corporate Priority:	A Well Run Council
Policy Framework:	None
Recommendations: that the Committee reviews the risk management report and notes its contents	

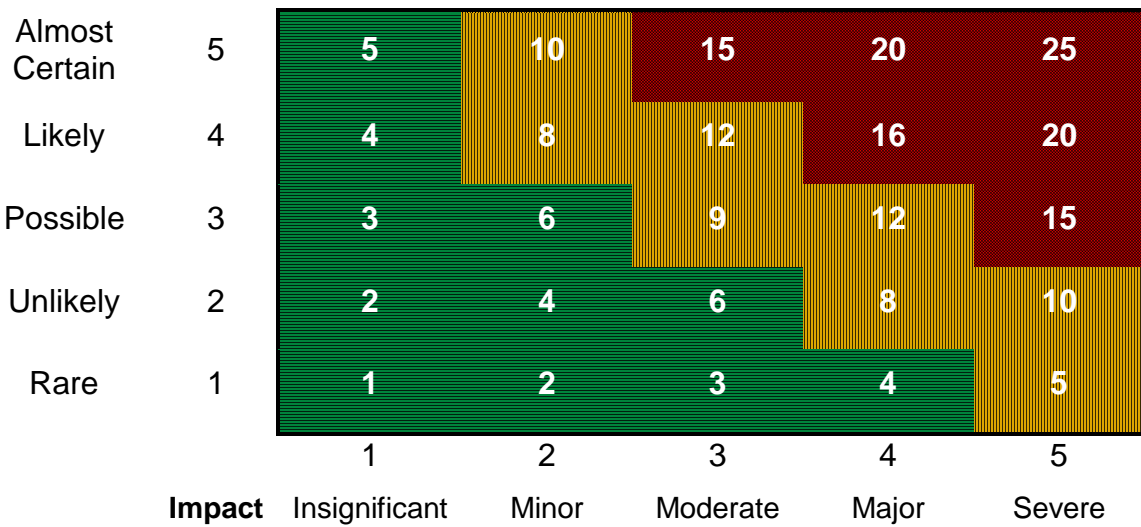
Appendices	
Appendix 1	Corporate Risk Register – Risks and Controls
Appendix 2	Corporate Risk Register – Risks Only
Appendix 3	Service Risk Register – Risks and Controls
Appendix 4	Service Risk Register – Risks Only

Risk Scoring Matrix

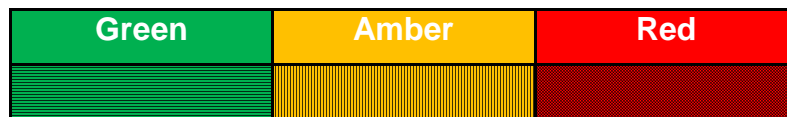
1. The Council operates a 'five by five' risk scoring matrix based on probability and impact. The methodology for scoring risks is set out below along with a copy of the scoring matrix or 'heat map'.
2. It is possible to get the same score but end up with a different result in the heat map. For example, 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 an amber 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 periodically by the Corporate Management Team (CMT). Any new risks are incorporated into a revised version of the CRR. The Corporate Management Team will undertake a review of the CRR on 3 February 2025. Risk owners of corporate risks are generally Executive Directors or Heads of Service.
5. **Service Risks** – Service risks are reviewed periodically by Heads of Service and Service Managers. The Risk Management Group has oversight of all risks and at its meetings will periodically review them to determine whether they should be considered for inclusion in the CRR.
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 last time that the Audit and Governance Committee received information on risk was 24 July 2024. The CRR for 2024/25 is attached at Appendix 1 including controls and Appendix 2 showing risks only.

8. The table below shows the number of corporate risks on 31 December 2024 compared with the previous reported quarter.

Current Risk	Q1 2024/25	Q3 2024/25
Red	5	5
Amber	6	7
Green	0	0
Total risks	11	12
New risks in half year	0	1
Closed	0	0

9. Details of the red risks are as follows:

New Red Risk

- **CRR-012 – Increased costs and complexity for waste**

This is a new red risk. Changes in statutory waste and recycling obligations may result in increased costs and complexity in the delivery of the Council’s domestic waste collection service, and the ODS commercial operation. If higher costs are not matched by increased revenues this may impact on the funding of other service areas because domestic waste collections are a statutory obligation. Also, if the income ODS derives from its commercial waste operation reduces, this could impact on dividend payments to the Council which underpin the delivery of other services.

The Council is lobbying for new funding.

Risk that has gone from Amber to Red

- **CRR – 006 – Health and safety and compliance with legislative requirements**

There is a risk that if there are insufficient resources there will be a failure to comply with legislative requirements including health and safety, data protection and local government law resulting in reputational damage, regulatory action, fines, and costs. Mitigations include ensuring that systems are in place to monitor and control compliance, staff training, clarity about roles and responsibilities, internal and external audit, oversight of companies and ensuring that the culture allows for challenge.

Risks continuing to be red:

- **CRR-001 - Financial Stability**

This is the risk of the Council being unable to deliver its plans and corporate priorities due to insufficient financial resource. The causes are many including inflation, increased demand, and lack of prioritisation. Mitigations include linking resources to the priorities contained in the Council Strategy 2024- 2028,

agreeing a Medium Term Financial Strategy with no unrealistic or unidentified savings, regular monitoring of budgets ensuring savings and income are on target, ensuring companies are on schedule to deliver returns through quarterly monitoring and robust monitoring of the capital programme.

- **CRR – 007 - Climate Change – Emergency**

If the Council is unable to meet local and national climate change targets, due to conflicting policies, the pace of delivery needed and a skills and technology gap, there will be an impact on reputation, commercial property letting, increased extreme weather and an adverse impact on the workforce and residents. Mitigations include actively engaging in partnerships, having a pipeline of projects, securing policy-based improvements including new build and retrofit and developing policies that support the decarbonisation of transport.

- **CRR-008 - Climate Change Adaptation**

If the Council is unable to deliver climate change adaption because of a lack of funding or awareness of different options, both it and its communities will be exposed to the future impacts of climate change leading to an increased exposure to future weather events, damage to reputation and infrastructure and an adverse financial impact.

The Council does not have control over the global climate, but it can make changes and improvements within its sphere of influence. Action on climate change is one of the Council’s corporate priorities and it has stepped up its programme of action, partnering and influencing to seek to mitigate social, health and environmental impacts on the city. Actions include supporting the climate adaption strategy led by the County Council and the biodiversity strategy and driving forward the Oxford Flood Alleviation Scheme.

Service Risk Registers

10. As part of the service planning process, all service risks are reviewed. Those no longer relevant are deleted and any new ones added. The service risk register is attached as Appendix 3 showing risks and controls and at Appendix 4 showing risks only.

11. The table below shows the number of service risks as at 31 December 2024 compared with the previous reported quarters.

Current Risk	Q3 2023/24	Q4 2023/24	Q1 2024/25	Q3 2024/25
Red	9	8	10	11
Amber	40	37	44	43
Green	18	20	17	27
Total risks	67	65	71	81
New risks in half year	0	4	0	10
Closed	0	6	2	0

12. Details of the Red risks are as follows:

Risks moved from amber to red

- **SRR-017-LG – Law and Governance**

Income target not achieved – A failure to secure external work causes income targets not to be achieved, resulting in budgetary pressure.

Risk moved from green to red

- **SRR-006-LG – Law and Governance**

Resilience of service - Failure to retain and recruit lawyers to permanent posts leads to an inability to effectively deliver services required by the Council to support statutory and non-statutory functions. This may result in a direct negative impact on risk and compliance and cause reputational damage, adverse costs, and greater reliance on expensive external services.

Risks Continuing to be red

- **SRR-006-CP – Corporate Property and Assets**

Quality of data and property knowledge – If the Council does not implement an asset management system to store and analyse data it will be unable to plan or programme work in a timely fashion resulting in delays to the letting of properties, providing insurance information, and potential non-compliances.

- **SRR-001-CA – Corporate Property and Assets**

Staff recruitment and retention – If terms and conditions of employment are not sufficiently attractive to attract permanent staff, the Council will not have the necessary skills and capacity and will be unable to deliver required work programmes.

- **SRR-003-CP – Corporate Property and Assets**

Income Reduction Due to Condition of Properties – If properties are returned in poor condition there will be a delay in reletting them or the council will be unable to let them, resulting in reduced or delayed rental payments and increased budget pressures.

- **SRR-014-HC - Housing Services**

Delivery failure of the Adult Homeless Pathway Transformation programme - If the programme is not delivered on time to provide sufficient good quality reprofiled services, there will be more rough sleepers and homelessness presentations, resulting in increased costs to the Council.

- **SRR-004-CD - Planning**

Delays to Council projects caused by outside agencies - If there are delays to Council projects caused by outside agencies there will be reduced Council performance and missed targets.

- **SRR-007- CD – Planning**

If Government legislation requiring substantial changes in the planning system results in a need for redesigned processes, then there will be a lack of capacity

to meet the changes and the delivery of local policy objectives will be undermined.

- **SRR-034-BIT - Financial Services**

Procurement - If there is failure to follow best procurement practice then there is an increased risk of challenge. The reputation of the Council will suffer and there may be financial loss and delays in delivering priorities.

- **SRR-018-FS - Financial Services**

Management effectiveness and the ability of employees to deliver services - If an increased workload places excessive pressure on staff and managers, then there might be an increase in staff stress and burnout resulting in a lack of capacity to deliver work demands.

- **SRR-001-HC - Housing Services**

Increase homelessness costs - If the economic climate and changes to housing benefit and local housing allowance result in more homelessness, there will be higher homelessness acceptances and an increase in the use of B&B accommodation. This will result in an increase in the cost of the provision of temporary accommodation and rent top up payments, leading to budget pressure.

Business Continuity

13. The Corporate Business Continuity Plan (BCP) will be reviewed to ensure alignment with the latest Emergency Plan and, following this, all Service Business Continuity Plans will be reviewed to ensure these align with the Corporate BCP. A Business Continuity exercise is planned to be programmed during 2025 with the assistance of Zurich Insurance following these updates.

Climate Change/Environmental Impact

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

Equalities Impact

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

Financial Implications

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

Legal Implications

17. 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	Roger Martin
----------------------	--------------

Job title	Insurance, Risk Management and Business Continuity Officer
Service area or department	Financial Services
Telephone	07483010703
e-mail	Email: RoMartin@oxford.gov.uk

List of background papers: None.

This page is intentionally left blank