

Report of the Deputy Chief Executive/ Director of Customer and Corporate Services Directorate

Monitor 3 2019/20 - Key Corporate Risks

Summary

1. The purpose of this paper is to present Audit & Governance Committee (A&G) with an update on the key corporate risks (KCRs) for City of York Council (CYC), which is included at Annex A.
2. A detailed analysis of KCR8 (Local Plan) is included at Annex B.

Background

3. The role of A&G in relation to risk management covers three major areas;
 - Assurance over the governance of risk, including leadership, integration of risk management into wider governance arrangements and the top level ownership and accountability for risk
 - Keeping up to date with the risk profile and effectiveness of risk management actions; and
 - Monitoring the effectiveness of risk management arrangements and supporting the development and embedding of good practice in risk management
4. Risks are usually identified in three ways at the Council;
 - A risk identification workshop to initiate and/or develop and refresh a risk register. The risks are continually reviewed through directorate management teams (DMT) sessions.

- Risks are raised or escalated on an ad-hoc basis by any employee
 - Risks are identified at DMT meetings
5. Due to the diversity of services provided, the risks faced by the authority are many and varied. The Council is unable to manage all risks at a corporate level and so the main focus is on the significant risks to the council's objectives, known as the key corporate risks (KCRs).
 6. The corporate risk register is held on a system called Magique. The non KCR risks are specific to the directorates and consist of both strategic and operational risk. Operational risks are those which affect day to day operations and underpin the directorate risk register. All operational risk owners are required to inform the risk officer of any updates.
 7. In addition to the current KCRs, in line with the policy, risks identified by any of the Directorates can be escalated to Council Management Team (CMT) for consideration as to whether they should be included as a KCR. KCRs are reported bi-annually to CMT.
 8. The Risk and Insurance Officer attends DMTs bi-annually to update directorate risks.

Key Corporate Risk (KCR) update

9. There are currently 13 KCRs which are included at Annex A in further detail, alongside progress to addressing the risks.
10. Annex C is a one page summary of all the KCR's and their current gross and net risk ratings.
11. In summary the key risks to the Council are:
 - KCR1 – Financial Pressures: The Council's increasing collaboration with partnership organisations and ongoing government funding cuts will continue to have an impact on Council services
 - KCR2 – Governance: Failure to ensure key governance frameworks are fit for purpose.
 - KCR3 – Effective and Strong Partnership: Failure to ensure governance and monitoring frameworks of

partnership arrangements are fit for purpose to effectively deliver outcomes.

- KCR4 – Changing Demographics: Inability to meet statutory deadlines due to changes in demographics
- KCR5 – Safeguarding: A vulnerable child or adult with care and support needs is not protected from harm
- KCR6 – Health and Wellbeing: Failure to protect the health of the local population from preventable health threats.
- KCR7 – Capital Programme: Failure to deliver the Capital Programme, which includes high profile projects
- KCR8 - Local Plan: Failure to develop a Local Plan could result in York losing its power to make planning decisions and potential loss of funding
- KCR9 – Communities: Failure to ensure we have resilient, cohesive, communities who are empowered and able to shape and deliver services.
- KCR10 – Workforce Capacity: Reduction in workforce/ capacity may lead to a risk in service delivery.
- KCR11 – External market conditions: Failure to deliver commissioned services due to external market conditions.
- KCR12 – Major Incidents: Failure to respond appropriately to major incidents.
- KCR13 – Brexit: The implications for council services when the UK is set to leave the EU, should that occur.

12. Risks are scored at gross and net levels. The gross score assumes controls are in place such as minimum staffing levels or minimum statutory requirements. The net score will take into account any additional measures which are in place such as training or reporting. The risk scoring matrix is included at Annex D for reference.

13. The following matrix categorises the KCRs according to their net risk evaluation. To highlight changes in each during the last quarter, the number of risks as at the previous monitor are shown in brackets.

Impact					
Critical			5 (5)		
Major			6 (6)		
Moderate		1 (1)		1 (1)	
Minor					
Insignificant					

Likelihood	Remote	Unlikely	Possible	Probable	Highly Probable
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14. By their very nature, the KCRs remain reasonably static with any movement generally being in further actions that are undertaken which strengthen the control of the risk further or any change in the risk score. In summary, key points to note are as follows;

- New Risks- No new risks have been added since the last monitor
- Increased Risks – no KCRs have increased their net risk score since the last monitor
- Removed Risks – no KCRs have been removed since the last monitor
- Reduced Risks – No KCRs have reduced their net risk score since the last monitor

Updates to KCR actions or controls since the last monitor report

15. KCR2 – Governance. A new cation has been added. A review of the Council’s constitution is underway and will be reported to Council in March 2020.
16. KCR4 – Changing Demographics. The action further design and implementation of arrangements for early help and prevention has a revised deadline. The action continue to analyse the Local Plan and Major development projects demographic data to determine the impact on all CYC services, is an ongoing action but the date is revised to reflect the change to the Local Plan timeline.
17. KCR8 – Local Plan. The implications and controls have been updated and a revised deadline for completion, which are detailed further in Annex B.
18. KCR9 – Communities. There is a revised date for completion of the framework for consultation.
19. KCR 12 Major Incidents and KCR13 Brexit. A further risk detail/ implication has been included to note the risk of potential civil unrest in relation to Brexit.

20. Further details on the above changes are included at Annex A.

Options

21. Not applicable.

Council Plan 2019-2023

22. The effective consideration and management of risk within all of the council's business processes helps support achieving all eight of the key outcomes identified in the Council Plan.

Implications

23. There are no further implications.

Risk Management

24. In compliance with the council's Risk Management Strategy, there are no risks directly associated with the recommendations of this report. The activity resulting from this report will contribute to improving the council's internal control environment.

Recommendations

25. Audit and Governance Committee are asked to:
- (a) consider and comment on the key corporate risks included at Annex A, summarised at Annex C;
 - (b) consider and comment on the information provided in relation to KCR8 Local Plan included at Annex B;
 - (c) note that the 2019/20 Monitor 4 report will include a detailed analysis of KCR9 Communities;
 - (d) provide feedback on any further information that they wish to see on future committee agendas

Reason:

To provide assurance that the authority is effectively understanding and managing its key risks

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**Report
Approved ✓**

**Date
22/11/19**

Specialist Implications Officer(s)

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Wards Affected All

Annexes

- A – Key Corporate Risk Register
- B – Analysis of KCR8 Local Plan
- C – Summary of Key Corporate Risks
- D - Risk Scoring Matrix