



REPORT TO: CORPORATE COMMITTEE ON 29 AUGUST 2023

SUBJECT: CORPORATE RISK REGISTER

BY: DEPUTE CHIEF EXECUTIVE (EDUCATION, COMMUNITIES AND ORGANISATIONAL DEVELOPMENT)

1. REASON FOR REPORT

- 1.1 To provide the Committee with a copy of the Council's recently updated Corporate Risk Register.
- 1.2 This report is submitted to Committee in terms of Section III (B) (36) of the Council's Scheme of Administration relating to council wide or corporate risk assessment and the mitigation and management of these risks.

2. RECOMMENDATION

- 2.1 **Committee is asked to consider and approve the updated Corporate Risk Register dated August 2023.**

3. BACKGROUND

- 3.1 Risk management is an integral part of good governance and to evidence management review of the principal risks facing the Council, a Corporate Risk Register has been developed. This is subject to periodic updating and approval by the Corporate and Senior Management Teams and to annual review by the Corporate Committee.
- 3.2 The register describes the principal risks facing the Council under nine generic themes. For each risk theme there is:
 - a description of the risk;
 - the risk rating 'score';
 - supporting information on risk appetite;
 - details of controls in place describing how each risk is currently being managed, and;
 - details of current/further mitigating actions.

- 3.3 Risk scores are determined by assessing the likelihood of an event occurring and the impact it potentially could have on the council's ability to meet its statutory obligations and deliver on its stated plans. Higher scoring risks, by definition, need more attention from senior management. A consequence of this is that the risk register contains risk themes where residual risks score moderately or highly, despite mitigating measures or controls being in place.
- 3.4 Risk appetite is also an important consideration; taking risks can present opportunities as well as threats; and an assessment of risk appetite considers whether risks can be tolerated (accepted), treated (reduced), transferred (e.g. through insurance) or terminated (if the risk is unacceptable)
- 3.5 Since the prior review the scoring for one risk theme - **Environmental Risk** - has increased. While policy has been developed and practical actions are being taken forward on multiple fronts to reduce the council's carbon footprint, there is an increased likelihood that the council will be unable to secure all of the funding necessary to enable key dates for moving towards net zero to be met. Both Likelihood and Impact scores have increased, the aggregate score moving from 9 (neutral) to 16 (elevated).
- 3.6 Three risk areas have seen a reduction in risk score in the latest review, namely:
- **Regulatory risk** considers the council's ability to meet its statutory obligations. These can be corporate in nature e.g. the duty to secure sound financial management, or apply within services including Education, Housing and Roads. Governance arrangements have been developed over many years and are subject to regular oversight and monitoring to ensure any new obligations are met. Overall arrangements were considered when developing the draft Annual Governance Statement for 2022/23. A neutral scoring has been allocated with a regulatory breach unlikely but possible with the impact potentially in the range from significant to minor dependent on the circumstances presenting. Both Likelihood and Impact scores have decreased, the aggregate score moving from 16 (elevated) to 9 (neutral).
 - **Reputational Risk** has regard to established systems, procedures and controls designed to prevent adverse reputational damage, and how updated policies increasingly reference the need for prioritisation of scarce resources. While recognising, at a time of service reduction and curtailment, that the likelihood of criticism of council services remains high, various mechanisms including community engagement, media reporting and complaints responses mitigate the impact of reputational damage. Likelihood score remains high but the impact score has reduced; the aggregate score moving from 15 (elevated) to 10 (neutral).

- **Operational Continuity and Performance Risk** is an aggregate of various factors, business continuity work is ongoing to strengthen resilience and plan as appropriate to minimise disruption; experience of adapting to new ways of working has increased service flexibility yet threats of service interruption cannot be wholly eliminated. Performance is actively monitored but is likely to diminish in certain areas should services be scaled back due to changes in policy priorities; the assessment is that this is increasingly understood by citizens and service users. Overall the position is assessed as having improved since the prior review with both likelihood and impact decreasing, the aggregate score moving from 16 (elevated) to 9 (neutral).
- 3.7 The risk previously described a “Political Risk” has been re phrased as Leadership Risk to reflect the terminology used in recent Best Value reports and to reflect that member/officer relations form part of this risk.
- 3.8 The completed risk register is attached for consideration by Committee as **Appendix 1**.

4. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))

Effective risk management practices are necessary to evidence how the Council identifies and seeks to address any issues that may impact on its ability to deliver its stated priorities and plans

(b) Policy and Legal

Effective risk management practice is an essential component of good governance.

(c) Financial implications

The risk register recognises the financial challenges facing the council and the importance of addressing these. There are no direct financial implications arising from this report.

(d) Risk Implications

Risk and its management is the subject of this report.

(e) Staffing Implications

The risk register refers to Staffing Risks. No direct implications.

(f) Property

No direct implications.

(g) Equalities/Socio Economic Impact

No direct implications.

(h) Climate Change and Biodiversity Impacts

The risk register refers to climate change considerations under Environmental Risks. No direct implications.

(i) Consultations

The Corporate Management Team and Senior Management Team have participated in updating of the Corporate Risk Register.

5. CONCLUSION

5.1 Following its review and updating by the Corporate and Senior Management teams, the Committee is asked to consider and approve the latest Corporate Risk Register dated August 2023.

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Background Papers: None
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