

<b>AUDIT COMMITTEE</b>	<b>AGENDA ITEM No. 11</b>
<b>11 FEBRUARY 2019</b>	<b>PUBLIC REPORT</b>

Report of:	Peter Carpenter, Acting Director of Corporate Services	
Cabinet Member(s) responsible:	Cllr David Seaton, Cabinet Member for Resources	
Contact Officer(s):	Peter Carpenter, Acting Director of Corporate Resources Katherine Hlalat, Head of the PMO	Tel. 452520 07834315674

<b>RISK MANAGEMENT REPORT</b>
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<b>RECOMMENDATIONS</b>	
<b>FROM:</b> Corporate Director Resources	<b>Deadline date:</b> N/A
<p>It is recommended that Audit Committee</p> <p>1. Note and comment on the Risk Management Report.</p>	

**1. ORIGIN OF REPORT**

1.1 This report is submitted as an update on the analysis undertaken by the Project, Programme and Assurance Office for each Directorate's Risk and Issue register.

**2. PURPOSE AND REASON FOR REPORT**

2.1 The purpose of this report is for the Audit Committee to note and comment on the Risk Management Report.

2.2 This report is for the Audit Committee to consider under its Terms of Reference No 2.2.2.12:

To monitor the effective development and operation of risk management and corporate governance in the council.

2.3 *How does this report link to the Corporate Priorities?*

This report sets out identified risks and mitigating actions in order that the Council delivers its Statutory and Corporate priorities.

**3. TIMESCALES**

Is this a Major Policy Item/Statutory Plan?	<b>NO</b>	If yes, date for Cabinet meeting	
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**4. BACKGROUND AND KEY ISSUES**

4.1 The effect of uncertainty on an organisation's objectives is risk. Risk management is the process of identifying what might go wrong, what the potential consequences could be, and how to best mitigate the likelihood of the risk occurring. If it does go wrong, as is inevitable sometimes, proactive risk management will ensure the impact is kept to a minimum.

4.2 In order to formalise risk management arrangements across the business, Peterborough City Council has developed a Risk Management Strategy.

The objectives of this strategy are to maintain the effective management of risk through:

- Increasing the likelihood of achieving the organisation’s goals and delivering outcomes;
- Improving the identification of opportunities and threats across the project portfolio;
- Improving governance, stakeholder confidence and trust;
- Establishing a reliable basis for informed decision making and planning;
- Effectively allocate and use resources for risk treatment;
- Improving organisational resilience.

4.3 Peterborough City Council is committed to effective risk management arrangements as a means of achieving the council’s strategic objectives. As such the risk management vision is to consolidate and improve existing arrangements to bring about the following benefits:

- Key risks are identified, are being managed and mitigated, both by the council and its partners;
- Resources are directed to the risks that matter away from risks that don’t, and there are fewer surprises;
- Opportunities are exploited from risk taking, because risks are understood and managed.

4.4 This report sets out in appendix A the Council’s Corporate Risks as at January 2019, their likelihood, impact, and factors being taken to mitigate them.

Overall the Council, by department has the following Corporate Risks identified:

Department	High level Risks	Medium level Risks	Low Level Risks
<b>Legal &amp; Governance</b>	4	6	4
<b>Human Resources</b>	0	1	6
<b>Growth and Regeneration</b>	0	8	2
<b>People and Communities</b>	4	5	0
<b>Public Health</b>	1	0	0
<b>Resources</b>	5	10	1

This is an increase from the last risk report for Audit Committee due to a revised approach to categorising what constitutes a Corporate Risk. The following criteria is now applied:

1. If it would cause reputational damage to the council
2. If it would have a financial impact on the council

Public Health has also been included separately for the first time.

The high level Corporate Risks, which are set out in more detail in the Appendix are:

- Recall petition called by the speaker of the House of Commons
- General election or referendum as a result of Brexit
- Leaseholds of 50 homes to aid with the homeless situation
- Parliamentary bi-election called
- LATCO/Amey contract:
- Corporate property income
- Reduction affordable permanent rented accommodation
- Impact of social demographic change
- Meeting demand for School Places

- Shared Service
- Safeguarding
- Health Debt - Special Measures
- National public health grant allocation is below target
- "Brexit" impact on EU funding and regulatory framework
- Financial Resilience
- Local Government Funding Review outcome & a possibility of losing grant with short notice
- Failure to maintain an effective business continuity plan

It should be noted, that the risks are taken at a snapshot in time, and due to mitigation and circumstances will move in level from period to period.

- 4.5 As the turbulence in parliament continues with Theresa May's Brexit Deal being defeated in the vote held on 15 January 2019, and then the prime minister defeating Labour's motion of no confidence the following day, the uncertainty around the future for the UK and the European Union (EU) continues.

The UK is due to leave the EU on 29 March 2019, and to change this date would require a change to the law in the UK. At present there seems to be a number of avenues this could take such as the deal eventually being agreed, an extension to article 50, where the leave date is extended (most likely) where a number of other options could become possible such as a general election or a second referendum or a no deal situation.

Taking the most likely situation in to account this would mean a continuation of the prolonged uncertainty on the economy, pushing any interest rate and gross domestic product (GDP %) increases further into the future.

A Brexit 'no deal' situation would mean a number of key changes for Councils such as:

- How EU funded programmes will operate
- Procurement
- State Aid
- Importing and Exporting (Where the authority has a port, importing certain animal species etc.)
- Labelling products (including food, chemicals, enforcement, tobacco products etc.)
- Personal data and consumer rights

A full list produced by the LGA can be found [here](#)

## **5. CONSULTATION**

- 5.1 Departmental Risk Registers are submitted to CMT for review on a monthly basis.

There is a monthly Risk Management meeting where Lead Officers update Departmental Risk Registers and review a detailed analysis of both Departmental and Corporate Risks.

## **6. ANTICIPATED OUTCOMES OR IMPACT**

- 6.1 That Risks to the delivery of Council services are identified and rated in a timely manner and mitigating actions are put in place to minimise their impact.

That Risks are reviewed on a periodic basis to ensure their impact and likelihood are correctly stated and mitigating actions are being delivered.

## **7. REASON FOR THE RECOMMENDATION**

- 7.1 The Audit Committee must be assured that the Council has processes in place to identify risks on a timely basis and that actions are put in place to monitor and mitigate their effects.

**8. ALTERNATIVE OPTIONS CONSIDERED**

8.1 *N/A*

**9. IMPLICATIONS**

**Financial Implications**

9.1 None in this Report, however for individual Risk mitigations that are identified there might be costs. These are picked up in the normal monthly monitoring process.

**Legal Implications**

9.2 *N/A*

**Equalities Implications**

9.3 *N/A*

**10. APPENDICES**

10.1 Appendix A - Corporate Risk Register – High and Severe level Risks  
Appendix B - Corporate Risks - Jan 2019  
Appendix C - Brexit copy of potential impacts CCC & PCC with mitigation