

APPENDIX B

PETERBOROUGH



ANNUAL CORPORATE RISK
REPORT 2024

INTRODUCTION

Risk is an integral part of everything we do in the Council, inextricably linked to the achievement of our Strategic Aims, Objectives, Priorities and Values. In fact, effective, robust, and proportionate risk management can provide greater assurance as to the achievement of objectives at all levels, including for individuals, that, in turn, ensures the Council can move forward and develop. Pro-active risk management ensures the Council not only meet current needs, including those of the Community, but also ensures it can meet the challenges of tomorrow.

The management of risk is an essential component part of performance management and if robust, proportionate, and embedded, represents excellent Council governance. For risk management to be successfully embedded, we will ensure strong leadership, accountability, learning and sustained communication in all directions and involving all internal and external staff, partners, and stakeholders, who will have differing needs and expectations.

The Council will be open and transparent about the risks it faces and ensure that adequate and robust controls are in place to manage and mitigate risks in accordance with the Council's Risk Appetite (more detail is provided later in the framework). In terms of adopting a proportionate approach, the level of controls must provide adequate protection from the identified risks, but without stifling opportunities for development and enhancement.

The Risk Management Framework sets out in more detail the council's approach to risk management its objectives, the tools it will use and the roles and responsibilities of both the Officers and members in promoting a culture of risk management through the council.

OVERALL APPROACH

Effective Risk Management is a key part of our approach to assuring the Council's performance. Risks on the Council's Risk Registers and our Key Performance Indicators are regularly cross-referenced to ensure our performance improvement actions address any emerging risks.

Individual members of the Corporate Leadership Team (CLT) are responsible for the Council's strategic risks, and these are reviewed and updated monthly in consultation with the Corporate Risk Manager.

Directorate level risks are owned by Executive Directors, Directors or Heads of Service and are discussed and reviewed at Directorate Management Team (DMT) meetings.

Most of our risks are service level risks which are owned by an appropriate person, usually a manager or Head of Service, with specialist knowledge of the subject.

The Risk Management Process:



The Risk Management Process includes the following steps:

- Risk Identification including Opportunities.
- Risk Assessment and Prioritisation.
- Risk Treatment/Management.
- Risk Registration/Documentation.
- Risk Review and Monitoring.
- Risk Reporting and Evaluation.

Risk Assessment and Prioritisation:

Once identified correctly, the defined risk needs to be analysed to assess how serious a threat it poses to the Council. The most common way of doing this is to assess the Impact and Likelihood of the Risk in question, and the 5 x 5 risk matrix is currently being used by the council, with the score determined by multiplying the ‘likelihood’ score with the ‘impact’ score. We have adopted this approach as it encourages a decision to be made about whether a likelihood or impact is high or low. It is important to clarify that both Reputational and Financial assessment are not part of the 5x5 assessment process, although they are both captured when assessing the impact should the risk materialize so as to enhance the overall decision-making process.

PCC Risk Matrix

	5	5	10	15	20	25
LIKELIHOOD	4	4	8	12	16	20
	3	3	6	9	12	15
	2	2	4	6	8	10
	1	1	2	3	4	5
		1	2	3	4	5
		IMPACT				

The first assessment of risk produces an inherent risk rating (**IR**) known as the **Red, Amber, Green (RAG)** rating, produces the Prioritization of the Risk in question, prior to treatment of the said risk. Potential treatment options are then considered, which when applied and assessed will produce the residual risk rating (**RR**). The most common choice is in the form of **Risk Mitigations**.

Responsibility for the risk mitigation should be clearly assigned to an individual with appropriate level of skills and experience, and they are known as the Risk Owner. In some organizations, responsibility for the management of the risk is assigned to a Risk Manager with the nominated Risk Owner assuming overall accountability for the risk in question.

The most common methodology of mitigating risks is through the establishment of internal controls. It is not sufficient to merely put the controls in place, but there need to be systems to ensure said controls are operating as intended. The effective operation of controls should hopefully reduce the Inherent risk score or rating to a residual risk score or rating, or target rating. If not, this might indicate that mitigations are not working and alternative ways to reduce the risk need to be considered.

Risk Reporting:

There are several existing sources and mechanisms to report risk as follows:

- Via Portfolio Boards (PB) of which there are four (4) re the Transformation Project
- Via Directorate Management Teams (DMTs) & Service Delivery Teams
- Via the Risk Management Board (RMB) which meets Bi- Monthly and accepts risk reports from members from within Directorates and Service Delivery Teams, ensures escalation of risks and that reports potentially new Strategic Risks to the CLT, via the Strategic Risk Register.
- Via the Corporate Leadership Team (CLT) who have monthly meetings to discuss and update the Strategic Risk Register at Performance (PCLT), attended by the Corporate Risk Manager.
- Via the CLT Director or the RMB re Escalation of Risks
- Via the Cabinet and Audit Committee

IMPACT	Negligible (1)	Low (2)	Moderate (3)	Significant (4)	Very High (5)
Public and employee health, safety, and wellbeing	None	Minimal level of harm to the health, safety and wellbeing of the community, members of the public or employees	Moderate level of harm to the health, safety and wellbeing of the community, members of the public or employees	Significant level of harm to the health, safety and wellbeing of the community, members of the public or employees	Substantial level of harm to the health, safety and wellbeing of the community, members of the public or employees
Service Disruption	No loss of service	Minimal external or internal disruption and/or loss of service (less than 24 hours)	Moderate external or internal disruption and/or loss of service (between 24 to 48 hours)	Significant external or internal disruption and/or loss of service (between three to seven days)	Substantial external or internal disruption and/or loss of service (more than seven days)
Environmental	None/ Insignificant	Minimal regional environmental damage and/or failure to meet all or most internal climate change targets	Moderate regional environmental damage and/or failure to meet all or most internal climate change targets	Significant regional environmental damage and/or failure to meet all or most internal climate change targets	International and/or national environmental damage
Information Security	No Impact	Minimal external breach with no loss of sensitive data; or minor external breach with loss of sensitive data	Moderate external breach with no loss of sensitive data; or minor external breach with loss of sensitive data	Significant external breach with no loss of sensitive data; or minor external breach with loss of sensitive data	Substantial breach; Information Commissioner Office (ICO) fine; loss of ISO 27001 certification
Skills Capability	No impact	Minimal under performance from skills gaps and/or shortages	Moderate underperformance from skills gaps and/or shortages	Significant underperformance from skills gaps and/or shortages	Substantial underperformance from skills gaps and/or shortages
Community	No impact	Minimal disadvantage to large parts of the community and/or some vulnerable residents	Moderate disadvantage to large parts of the community and/or some vulnerable residents	Significant disadvantage to large parts of the community and/or some vulnerable residents	Substantial disadvantage to large parts of the community and/or many vulnerable residents
Economy	No impact	Minimal negative impact on the County's economy, including hard infrastructure	Moderate negative impact on the County's economy, including hard infrastructure	Significant negative impact on the County's economy, including hard infrastructure	Substantial negative impact on the County's economy, including hard infrastructure
Legal	No impact	Minimal legal action, claims and/or penalties against or by the Council	Moderate legal action, claims and/or penalties against or by the Council	Significant legal action, claims and/or penalties against or by the Council	Substantial legal action, claims and/or penalties against or by the Council
Contracts and Partnerships	No impact	Minimal impact on service delivery from a contract and/or partnership failure	Moderate impact on service delivery from a contract and/or partnership failure	Significant impact on service delivery from a contract and/or partnership failure	Substantial impact on service delivery from a contract and/or partnership failure

LIKELIHOOD	Negligible (1)	Low (2)	Moderate (3)	Significant (4)	Very High (5)
Definitions	Event could occur every 10 years or longer	Event could occur every five years	Event could occur every two years	Event could occur every year	Event expected to occur every year

These are assessed as stand-alone indicators if the risk was to materialise.

Financial impact assessment -

Each risk is assessed for the potential range of capital and/or revenue loss to the Council if the risk materialised.

Band 8 Loss over £20 million

Band 7 Loss between £10 million and £20 million

Band 6 Loss between £5 million and £10 million

Band 5 Loss between £3 million and £5 million

Band 4 Loss between £1 million and £3 million

Band 3 Loss between £100,000 and £1 million

Band 2 Loss between £50,000 and £100,000

Band 1 Loss under £50,000

Band 0 No financial loss

Reputational impact assessed if the risk materialised.

Extremely High - Lasting or permanent national/local brand damage resulting from adverse comments in national press and media. High chance of Councillors/PCC staff forced to resign.

High - National/local brand damage lasting up to two years from coverage in national, regional and/or local press/media. Councillors/PCC staff potentially forced to resign.

Moderate - Temporary local brand damage lasting up to one year from extensive coverage in regional and / or local press/ media.

Low - Temporary local brand damage lasting up to a few weeks may be possible from minor adverse comments in local press/social media.

Extremely Low - Negligible local brand damage from limited adverse comments with minimal press/social media.

Current Corporate Risks June 2024

LIKELIHOOD	5			B,I		
	4			P,Q	E,F,S,R,N	G,H,L,A
	3			D	C,K,O,J,M	
	2					
	1					
		1	2	3	4	5
	IMPACT					

↓ Improving
 ↑ Worsening
 ↔ Stable

	Risk Description	Owner	IR	RR	Trend
A	Financial Resilience of Council	Emma Riding, Jill Evans	25	20	↑
B	Public Health Grant is insufficient to maintain public health service levels	Emmeline Watkins	20	15	↔
C	Emergency Resilience – Council Response	Rob Hill	16	12	↓
D	Possible service disruption due to decoupling of ITDS Services	Julian Patmore	20	9	↓
E	Housing	Matt Oliver	20	16	↓
F	Safeguarding - Adults	Debbie McQuade	20	16	↓
G	Safeguarding - Children	Alison Bennett	20	20	↔
H	The Council is a victim of Cyber Crime, & Technological Change	Julian Patmore	20	20	↔
I	Political Landscape	Adesuwa Omoregie	20	15	↑
J	Security Assurance	Simon Lewis	20	12	↓
K	Health & Safety	Simon Lewis	16	12	↓
L	OFSTED Inspections	Alison Bennett, Chris Baird	20	20	↑
M	Workforce Planning	Mandy Pullen	20	12	↓
N	Failure to manage and collect outstanding debt	Emma Riding	20	16	↓
O	Improvement Programmes	Mandy Pullen, Rachel Blake	12	12	↔
P	Community Cohesion	Ian Phillips	12	12	↔
Q	Collaborative working with Health & Social Care	Debbie McQuade	12	12	↔
R	The Councils ability to deliver City Regeneration	Nick Carter	25	16	↓
S	CQC Assurance (Inspection)	Debbie McQuade	16	16	↔

Full details can be found on the Strategic Risk Register.

Table showing corporate risks that have been removed from the register since the process began in October 2023, as Residual risk is now Green. These will continue to be monitored via the BAU risk maps.

Risk Description	Owner	IH	RR
Procurement, contracting & contract management	Richard McCarthy	12	4
Waste Disposal/Pollution	Charlotte Palmer	9	4
Capital & Information Assets	Jill Evans / Simon Lewis	9	4