

REPORT TO:	GENERAL PURPOSES AND AUDIT COMMITTEE 10 June 2021
SUBJECT:	Corporate Risk Report
LEAD OFFICER:	Chris Buss, Interim Director of Finance, Investment & Risk and S151 Officer
CABINET MEMBER	Councillor Callton Young, Cabinet Member for Resources & Financial Governance
WARDS:	All
CORPORATE PRIORITY/POLICY CONTEXT:	
<p>As part of the General Purposes and Audit Committee's role of overseeing the risk management framework and receiving assurance that significant corporate (Red) risks are identified and mitigated by the organisation, this report accompanies the appendix document which presents those risks recorded as 'high rated' or RED on the corporate risk register as at 6 June 2021.</p> <p>In line with the Council's commitment to openness and transparency, the corporate risk report will appear in Part A of the agenda unless there is specific justification for any individual entries being considered under Part B (set out under Paragraph 3 of Schedule 12A of the Local Government Act 1972 as amended).</p>	
FINANCIAL SUMMARY: No additional direct financial implications.	
FORWARD PLAN KEY DECISION REFERENCE NO.: N/A	

1.1 RECOMMENDATIONS

The Committee is asked to:

Note the contents of the corporate risk register as at 6 June 2021

2. EXECUTIVE SUMMARY

- 2.1 The report updates the General Purposes & Audit Committee Members on the corporate risk register (the register) as at 6 June 2021.

3. DETAIL

Risk Register Report

3.1 The register presented details all the current corporate risks rated at a total risk score of 20 and above (Red Risks).

3.2 Since the register was last considered by Members, the following risks have been escalated to Red Status:

- FIR0051. Risk of significant financial loss and reputational damage due to the poor performance of Brick by Brick and related matters.
- CEHR0071. Organisational behaviors, culture and practices lead to the Council being unable to operate effectively and therefore not serve the residents of the borough in accordance with their expectations.
- CDS0018. Confidentiality, integrity or availability of LBC ICT systems is compromised by Cyber-attack or other incident
- PP0009. Corporate financial savings objective is not achieved due to poor Programme & Project management behaviours.
- ASC0016. Social Care Funding and pathway for eligible 'Continuing Health Care' and 'Joint Funding' demand led pressures increases significantly the financial commitment that the Council must provide without additional contributions from our health partners
- EHCSC0017. Gaps in Statutory Social Work Capacity - Croydon Supporting Families (Assessment) and Social Work with Families (CP/CIN/Court work)
- HSI0017. Major increase in disrepair cases raised under the disrepair protocol and as a result of The Homes (Fitness for Human Habitation) Act 2018.

3.3 Since the register was last considered by Members, the following risks have been de-escalated from Red status as follows.

- ASC0001. Social Care market supply disruption leading to market failure and inability to fulfil statutory requirements.

- ASC0012. The financial and staff resources provided cannot meet the demand for Adult Social Care in line with all statutory obligations.
- ELT0002. Effective action is not taken to address the underlying causes of social care overspends within Adult's Services, specifically in terms of both the demand and the resulting cost pressures.
- ELT0008. There is no effective challenge, review, investigation or ownership taken on all activities that the Council undertakes by the Executive Leadership Team, Cabinet and all Scrutiny Committees (including GPAC).
- ELT0019. The scale and ambition of the capital programme creates a requirement for borrowing that exceeds affordability.

3.4 In addition to the changes in the red risks noted above there have been a number of recent changes in relation to risk ownership as per the attached report and all risks are subject to an on-going review in relation current and future control measures.

3.5 In line with the Council's commitment to openness and transparency, the register will appear with the corporate risk report in Part A of the agenda unless, in accordance with the Access to Information Procedure Rules in the Council's Constitution there is specific justification for any individual entries being considered under Part B (set out under Paragraph 3 of Schedule 12A of the Local Government Act 1972 as amended).

3.6 It should be noted that some of the grounds for exemption from public access are absolute. However, for others such as that in para.3, 'Information relating to the financial or business affairs of any particular person (including the authority holding that information)', deciding in which part of the agenda they will appear, is subject to the further test of whether, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

4. FINANCIAL CONSIDERATIONS

4.1 There are no additional financial considerations arising from this report.

(Approved by Chris Buss –Interim Director of Finance, Investment & Risk and Section 151 Officer)

5. LEGAL CONSIDERATIONS

- 5.1 The Head of Litigation and Corporate Law comments on behalf of the interim Director of Law and Governance that the Committee is required through its terms of reference in exercising its audit functions to maintain oversight of risk management arrangements and operations and as such periodic updates on the Corporate Risk Register are provided to assist members with this responsibility.
- 5.2 Separately, the management of risk has a direct impact on the Council's ability to deliver its functions in a manner which promotes economy efficiency and effectiveness. Therefore, the consideration of this report also seeks to demonstrate the Council's compliance with its Best Value Duty.
- 5.3 In addition, the Council is legally required to ensure that it has a sound system of internal control facilitating the effective exercise of the Council's functions. This includes arrangements for the management of risk and an effective system of internal audit to evaluate the effectiveness of its risks management, control and governance processes, taking into account public sector internal auditing standards and guidance. This report also seeks to demonstrate compliance with these legal duties.

Approved by: Sandra Herbert, Head of Litigation and Corporate Law on behalf of the interim Director of Law and Governance and Deputy Monitoring Officer.

6. HUMAN RESOURCES IMPACT

- 6.1 There are no additional Human Resources implications arising from this report.

(Approved by: Sue Moorman, Director of HR)

7. EQUALITIES, ENVIRONMENTAL AND CRIME AND DISORDER REDUCTION IMPACTS

- 7.1 None

8. RISK ASSESSMENT

- 8.1 No further risk issues other than those detailed in the report.
- 8.2 The corporate Risk Management Team (RMT) operates a '**horizon scan**' strategy as part of the Council's Risk Management Framework.
- 8.3 The horizon scan strategy is implemented through the distillation of cross – organisational & external professional networks that are maintained by the RMT. This strategy incorporates a multi-faceted approach including activities such as:
 - Intelligence sharing (especially in respect of significant events / incidents) with other local authorities such as the Local Government Association;
 - Collaborative working particularly the London Boroughs network, London Councils and the Greater London Authority;
 - Research conducted via professional and generic media mechanisms for example The Association of Local Authority Risk Mangers, CIPFA;

- Regular attendance at DMT's / DLT's on a quarterly basis;
- Participation in the relevant 'working group' activities / projects for example major systems implementation such as Oracle Cloud, or policy/legislative change implementation such as IR35 compliance; and
- The ability to 'add value' and strategic direction and guidance is an integral aspect of the risk management consultancy available to senior officers.

9. FREEDOM OF INFORMATION/DATA PROTECTION CONSIDERATIONS

9.1 Information contained in the Council's Risk Register or held in relation to the Council's risk management procedures may be accessible under the Freedom of Information Act subject to the application of any relevant exemptions, such as commercial sensitivity and whether disclosure was in the 'public interest'.

10. DATA PROTECTION IMPLICATIONS

10.1. WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?

No.

No personal data is processed as part of the production of the Corporate Risk Register.

(Approved by: Chris Buss, Interim Director of Finance, Investment & Risk and Section 151 Officer)

10.2. HAS A DATA PROTECTION IMPACT ASSESSMENT (DPIA) BEEN COMPLETED?

No.

Not applicable as no personal data is processed as part of the production of the Corporate Risk Register

(Approved by: Chris Buss, Interim Director of Finance, Investment & Risk and Section 151 Officer)

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BACKGROUND DOCUMENTS:

Appendix 1 Corporate Risk Register
Appendix 2 Risk Scoring Matrix