



REPORT TO:	OVERVIEW AND SCRUTINY
DATE:	28 SEPTEMBER 2022
REPORT OF THE	PROGRAMME DIRECTOR PEOPLE AND RESOURCES MARGARET WALLACE
TITLE OF REPORT:	CORPORATE RISK REGISTER UPDATE
WARDS AFFECTED:	ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

- 1.1 This report provides an update on the management of risk via the corporate risk register. In particular highlighting any changes to risk scores, new controls or potential challenges that may alter the risk profile.

2.0 RECOMMENDATION

- 2.1 It is recommended that:
- (i) O&S approve the revised risk register.

3.0 REASON FOR RECOMMENDATION

- 3.1 RDC has a comprehensive corporate risk register that details 11 significant risks that could impact the business.
- 3.2 Risks are scored by assessing likelihood and impact, and calculated on a 5x5 matrix that evaluates the likelihood of a risk occurring as between 'very low' to 'almost certain' and the impact as being 'low' to 'disaster'.
- 3.3 Each risk is assigned an owner who is a member of SMB, and therefore ultimately responsible for ensuring that the risk is appropriately managed and sufficient safeguards and controls are in place.
- 3.4 Each risk has been reviewed by the risk owner and the risk scores and profile adjusted accordingly. It is therefore felt in light of this review that the register continues to be effective at controlling risk and should be approved and again subject to ongoing updating and review.

4.0 SIGNIFICANT RISKS

- 4.1 The risk register identifies the main corporate risks that affect the business. These include standard risk management areas such as Health and Safety; Financial Management; Major events / incidents and safeguarding alongside emerging (and waning risks) of Covid-19 and Local Government Reorganisation.
- 4.2 The register was last reviewed in March 2022 and this review updates and consolidates the progress made in managing risks as documented previously.
- 4.3 Failure to effectively review and update the risk register will lead to increased exposure to the business and potentially impact on the health and safety of colleagues, customers, partners and contractors alongside jeopardising the financial viability of the business or lead to significant reputational damage.

5.0 POLICY CONTEXT AND CONSULTATION

- 5.1 The risk register details all corporate risks across the business. Most risks have either associated policies or action plans attached to them to help ensure they are managed in a compliant manner and services adhere to any required legislation or regulation.
- 5.2 In some cases consultation is undertaken in order to manage risk; for example the management of CRR02 – Health and Safety is predicated on the work of the Corporate Health and Safety Working Group; whilst CRR11 – Local Government Reorganisation includes significant elements of consultation including pulse surveys and opportunities for colleagues to input into work streams in order to define the work of the future North Yorkshire Council.

REPORT

6.0 REPORT DETAILS

- 6.1 Each risk has undergone a review by the risk owner, supported by subject matter experts and service leads where appropriate. This report will highlight the key changes taking place across each of the 11 corporate risks.
- 6.2 CRR01 – Covid 19. The current and target risks concerning Covid-19 have increased from 3D (likely / major) to 4D (very likely / major). This is partly driven by increases in cases locally whilst also acknowledging that the vaccine programme of 2021 is yet to be repeated. It also acknowledges that the virus is likely to present some degree of seasonal spike over autumn and winter and therefore is much more likely to have an impact. There is also a recognised concern around the levels of resilience and resourcing that could occur over the autumn and winter months where concurrent incidents could impact on the delivery of services.
- 6.3 CRR02 – Health and Safety. Since the last review a new dedicated resource has been appointed to help support the delivery of health and safety across the business supporting the programme director. The service level agreement with NYCC has been extended for the final year of RDC and the health and safety action plan updated to help take account of the need to have risk assessments and policy documents (including safe ways of working instructions) up to date ahead of vesting day. Additional first aid and fire warden provision has also been identified as being needed to help protect the business and training is underway to achieve this. The risk target has been increased as a result to 3B (Likely / Minor) as a result of these changes, with the current level recognised as 3C (Likely / Medium)

- 6.4 CRR03 – Staffing Resilience and Capacity. The impact of the cost of living crisis has been recognised as potentially having an impact on both recruitment and retention of staff especially as fuel costs increase rapidly. The business continues to undertake work to review and improve facilities at Ryedale House and create a more flexible and adaptable workspace that is fit for a modern workforce. The risk target has also been revised and is now at 4C (Very Likely / Medium) on account of the challenges people are facing and the impact this could have on the business.
- 6.5 CRR04 – Financial Management. The biggest change relating to the financial management of the business relates to a failure to deliver the council plan priorities. Whilst much is budgeted for this year it is recognised that the council is unlikely to deliver all of its identified priorities given the council plan will be superseded by the new North Yorkshire wide authority. Political instability is also a cause for concern and therefore something that could cause priorities to shift at short notice. The current risk score and target risk score remain unchanged although extra controls around financial management at a team level have been included such as the role of service planning.
- 6.6 CRR05 – Information Governance. This remains largely unchanged with the target and current risk scores aligned at 3C (Likely / Medium). There is a recognition that ineffective and out of date policies could lead to failures in information governance and as part of the LGR work there is an ongoing exercise to map policies and ensure any areas of high risk are effectively managed as the organisation heads towards the merger.
- 6.7 CRR06- ICT. This also remains largely unchanged and in light of LGR much more a case of maintaining cyber security and managing systems effectively. The most notable change relates to the rollout of Microsoft Office 365 across the business which will support the move to a more modern and flexible organisation.
- 6.8 CRR07 – Contracts and Procurement. Again the current risk score and target risk scores have remained unchanged; however there is an acknowledgement that the ongoing cost of living crisis might impact on the cost of goods and services. An additional point is made concerning the Procurement Bill which was covered within the Queens Speech in May 2022 which will have longer term impacts and will need to be tracked however it is anticipated that any significant changes to legislation will be relevant for the new authority.
- 6.9 CRR08 – Major Events / Incidents (non-Covid). This remains one of the highest risk areas; partly due to the varied nature of the events and the large degree of ‘unknown-unknowns’ that exist making effective planning hard. In order to effectively control this a series of resilience training exercises have been undertaken with Bronze and Silver leads; whilst the five town councils have had significant input into the community plans to help support emergency planning, whilst community groups are also engaged in the process in order to help at the point of crisis. Additional budget has been allocated to assist with flood management which is recognised as one of the major events that is most likely to occur across the region. RDC is also tracking the draft Protect Duty which was announced in the Queens Speech.
- 6.10 CRR09 – Job Creation, Economic Sustainability and Growth. This has seen its current risk score increase to 4D and its target increase to 4C. This is as a result of the economic crisis the country is facing due to increased inflation, fuel costs and energy costs making job creation much more precarious. This is also a challenging time for the district due to the ongoing devolution deal and the creation of not only the new

single North Yorkshire Council but also the mayoral combined authority covering York and North Yorkshire. Therefore, there is a significant amount of change that needs to be tracked and managed over coming months.

- 6.11 CRR10 – Safeguarding. This remains an area of significant strength for the business. All colleagues are required to have read and understood the safeguarding policy and this is included in the induction process. RDC participated in National Safeguarding Week in June 2022, which reiterated that safeguarding is everyone’s responsibility.
- 6.12 CRR11 – Local Government Reorganisation. LGR inevitably impacts on many other risks; however, given the significant impact it could have on the council’s ability to function it has been elevated to its own corporate risk. Whilst plenty of controls are in place such as involvement in workstreams, measurement of time and a sizeable LGR budget to help with resourcing it remains a concern that factors affecting staff such as low morale and uncertainty on the future could have a negative impact. It is noted that the recent pulse survey highlighted that RDC was in a positive position and therefore the key will be to maintain this positivity over the next six months.

7.0 IMPLICATIONS

7.1 The following implications have been identified:

- a) Financial
- Through the budget setting process any additional costs have been identified. In the case of LGR a dedicated budget has been created to support the business.
- b) Legal
- Failure to manage risks effectively could lead to non-compliance. By identifying key legislation and regulation and having a robust policy framework linked to risk that these can be overcome.
- c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental, Crime & Disorder)
- Any relevant concerns around these wider issues would be covered within any associated action plans or policies linked to the risks themselves.

8.0 NEXT STEPS

8.1 It is proposed that O&S note the changes to the risk register.

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Background Papers:

Appendix A – Corporate Risk Register