

Cheltenham Borough Council

Audit, Compliance and Governance Committee

31 January 2024

Corporate Risk Register

Accountable member:

Rowena Hay, Leader

Accountable officer:

Gareth Edmundson, Chief Executive

Ward(s) affected:

N/A

Key Decision: No

Executive summary:

- This report provides a copy of the Council's Corporate Risk Register detailing strategic risks.
- The Corporate Risk Register summarises the Council's corporate risk profile as at the 16 January 2024.
- The register has been prepared in consultation with Risk Managers and the Senior Leadership Team.
- This report detail risk movements since the last formal report enabling Members to track CBC risk profile.

Recommendations:

- that Audit, Compliance & Governance Committee note the Corporate Risk Register.
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1. Implications

1.1 Financial, Property and Asset implications

Poor risk management can lead to increased financial costs therefore it is important to have a robust processes in place.

Signed off by: Gemma Bell, Finance [gemma.bell@cheltenham.gov.uk.]

1.2 Legal implications

There are no specific legal implications arising from the report and its recommendations. It is fundamental that the Council has an embedded risk management framework which considers the identification, recording, and management of risks to the Council in the delivery of its priorities and objectives.

Signed off by: One Legal

1.3 Environmental and climate change implications

Leveraging the requirement to complete Climate Impact Assessment to support decision making, alongside a Risk Management programme specifically for climate and flood risks, an effective risk management framework across projects, programmes and business activities will ensure that climate implications are considered, relevant risks highlighted and mitigations controls put in place.

Signed off by: debbie.baker@cheltenham.gov.uk

1.4 Corporate Plan Priorities

This report contributes to all Corporate Plan Priorities as effective risk management is essential to the achievement of CBC plan.

Signed off by: ann.wolstencroft@cheltenham.gov.uk

1.5 Equality, Diversity and Inclusion Implications

Good risk management across all aspects of our business should ensure Equality, Diversity and Inclusion implications are considered and any risks are highlighted and controls put in place to mitigate.

richard.gibson@cheltenham.gov.uk.

2 Background

2.1 Risk management is the culture, process and structures that are directed towards effective management of potential opportunities and threats to the Council achieving its priorities and objectives.

2.2 The Council has a Risk Management Policy, reviewed in April 2023, that sets out the approach to risk management including the roles and responsibilities for Officers and elected Members. The policy also details the processes in place to manage risks at corporate, operational and project levels.

2.3 The Council's Leadership Team considers and reviews strategic risks on a monthly basis and the register is made available to Cabinet. All reports to Council / Cabinet / Committees contain risk implications. All risk discussions / assessments include the development of risk mitigation actions designed to reduce the likelihood and / or consequences of adverse events occurring. By understanding and managing risks, the council can be more confident about undertaking ventures which produce larger gains.

2.4 This corporate risk report is provided to Audit, Compliance and Governance Committee detailing strategic council risks. This report covers strategic risks as well as a narrative outlining changes to risks and scores since the last formal report. This allows the committee to track movements in our risk profile.

2.5 The risk register covers:

- The risk narrative.
- Risk Manager.
- Current risk score (impact & probability).
- Details of any controls in place to mitigate the risk.
- The risk action.
- The risk review date.

2.6 It is important to note that key projects / programmes will each have an individual risk register containing many risks. To keep track of these from a corporate perspective we have for each of these projects and programmes only one risk on the corporate risk register. For example, the Golden Valley development has a full risk register presented to Programme Board but one risk on the corporate risk register. The score of the risk on the corporate register will always reflect the highest score from the GV risk register. This enables us to monitor the highest risks we have across the organisation.

2.7 Whilst the register in appendix 1 contains a full list of our corporate risks following our peer review feedback and considering the priorities in our corporate plan for this report I have highlighted our top 6 risks. These relate to our corporate plan priorities around financial sustainability, becoming cyber capital of UK (MX), environmentally sustainable management of waste and recycling (carbon neutral), cost of living (financial sustainability), leisure and culture (Cheltenham as a place and resident wellbeing). At the present time our top six risks are:

- Minster Innovation Exchange - If the developer, Workshop Cheltenham, are unable to deliver the building within the current agreed budget then CBC may not achieve the required return on its investment. In respect of this risk we have in place Quantity surveyors supporting our in-house construction team to act as an intelligent client monitoring the quality and progress of the construction.
- Publica Information Technology (IT) (New Risk) - If the Councils do not effectively manage the changes to Publica then we may lose valuable IT Staff putting the councils IT systems at risk. In respect of this risk we are working closely with Publica and the

other councils within the partnership to ensure any transition/changes are managed effectively to ensure continuity of the excellent service provision from IT and the security of our systems moving forward.

- Medium Term Financial Strategy - If CBC is unable to come up with long term solutions which bridge the gap in the medium-term financial strategy, then it will find it increasingly difficult to prepare budgets year on year without making unplanned cuts in service provision. In respect of this risk we have a number of actions in place to mitigate including our commercial strategy, close monitoring of budgets and reviews with service managers, engagement with cabinet on budgets and savings and specified targets for some services.
- Cost of Living Crisis - If the cost of living crisis continues with energy, interest & other costs driving up inflation then it will impact on the councils financial stability & our ability to deliver services & major developments as well as having a negative impact on our customers & staff. In respect of this risk we are working with partners to ensure they are supporting people who are struggling.
- Waste & Recycling - If we have inadequate waste/recycling infrastructure/funding in place for the future then it may impact on the services we can provide to our residents. In respect of this risk we are investigating several options with regards to our infrastructure to ensure we can put in place something that will meet future needs.
- Leisure & Culture Venues - If the council does not have a long-term vision & investment plan in place for its leisure & culture venues then significant unplanned maintenance, repairs & investment may be required to keep the venues running & it may undermine the ability of the Trust (or any future provider) to run leisure & culture services in a profitable way. In respect of this risk we have undertaken an options appraisal around leisure and culture and are considering the results and we have commissioned a sports strategy to ensure any future options consider our sporting infrastructure. It should be noted that part of this risk has occurred with the temporary closure of Pittville Pump Rooms and the temporary closure of the teaching pool and splashpad.

2.8 Since the last report there have been some movements in our strategic risks and these are as follows:

- Minster Innovation Exchange – This risk has been increased as we near the completion of the development. The increase is due to contractor availability and the potential of adverse weather potentially delaying completion which could create additional budgetary pressure.

2.9 Since the last report three new corporate risks have been added to our register and these are:

- Cheltenham Borough Homes - If the council does not effectively handle the transfer of

CBH then we may experience issues from tenants, employees and contractors leading to a drop in service provision and potential legal/regulatory action.

- Public Information Technology (IT) - If the Councils do not effectively manage the changes to Publica then we may lose valuable IT Staff putting the council's IT systems at risk.
- Business Continuity - If CBC does not have adequate business continuity plans in place then this could impact the Council's ability to deliver services leading to resident hardship, financial loss & reputational damage.

2.10 Since the last report four corporate risks has been removed from our register and these are:

- Ubico Service Disruption - If union members agree to strike following a ballot, then waste & recycling services may be seriously disrupted & some cancelled causing reputational damage & expensive catch-up arrangements. Removed as risk does not exist present time.
- Climate Supplementary Planning Document has Limited application/utilisation - If the measures set out in the Supplementary Planning Document are not used in planning decisions, then it will have no impact on the contribution which development makes towards climate change. Removed as now embedded into planning team processes.
- Financial impact of Environment Act 2021 - If the new act results in less valuable recycling materials then there will be a negative impact on income. Removed as the level of risk at this time has reduced however, income from waste collection will remain under review.
- Risk of requirement to return ERDF grant funding - If MHCLG's value for money assessment deems CBC not to have delivered within acceptable boundaries and / or outputs do not fulfil original funding contract, then there is the risk that CBC will need to return funds to MHCLG. Removed as CBC met requirements.

3 Reasons for recommendations

3.1 Report to note only.

4 Alternative options considered

4.1 None

5 Consultation and feedback

5.1 Risk Managers and Leadership Team.

6 Key risks

6.1 None.

Report author:

Ann Wolstencroft, Head of Corporate Services

Appendices:

i. Risk Register

Background information:

N/A