



Governance Scrutiny Group

Thursday, 30 July 2020

Impact of Covid19 on the Council's Risk Register

Report of the Executive Manager – Finance and Corporate Services

1. Purpose of report

- 1.1. This report provides an update on risk activity following the September 2019 update to the Group. It provides a summary of risks in the Council's Risk Registers that have changed over that period including a number of risks that have been altered recently in response to the global Covid19 pandemic.

2. Recommendation

It is RECOMMENDED that Governance Scrutiny Group:

- a) notes the contents of this report in relation to existing risks;
- b) considers the new risks identified in response to the global Covid19 pandemic and makes any comment necessary on the risk ratings awarded to them.

3. Reasons for Recommendation

- 3.1. The Terms of Reference for the Governance Scrutiny Group state that the Group should periodically consider the Council's Risk Management Framework to ensure current risks are being monitored, and effective controls and mitigating actions are in place.

4. Supporting Information

Risk Management Activity

- 4.1. The Council's Risk Management Group (RMG) met on 14 July 2020 to review risks on the register and to make recommendations to the Group. They also considered a number of new risks proposed by officers for inclusion on the Risk Register in response to the Covid19 pandemic.
- 4.2. There are currently 37 corporate risks and 26 operational risks on the risk register. The number of risks within the registers will fluctuate throughout the year as active risk management is undertaken. Changing pressures facing local government and the proactive work of managers to identify risks as they emerge will continue to influence new risks added to the register and demonstrates the Council's aim to be proactive to mitigate risk as soon as possible after identification.

- 4.3. **Appendix A** presents the Council's existing Risk Register. The RMG would like the Group to consider twenty changes to the Risk Register as a result of their recent discussions. These changes include thirteen proposed increases to risk ratings and seven reductions to risk ratings. These can be summarised as follows:

Risks Increased

CRR_FCS06 Lack of funding from partners Likelihood increased from 2 to 3 as a result of funding pressure resulting from Covid19

CRR_FCS08 Inadequate capital resources Likelihood increased from 2 to 4 as a result of greater potential for a reduction in capital receipts and S106 receipts related to Covid19

CRR_FCS09 Fee income volatility Likelihood increased from 2 to 4 as a result of the impact of Covid19 on investment income; parking, community halls, playing fields and sports pitches; and leisure income

CRR_FCS12 Risk and return from Asset Investment Strategy Likelihood increased from 2 to 3 as a result of Covid19 and the potential reduction in asset investments in current economic climate plus the potential reduction in returns from existing assets as rental market decreases

CRR_FCS13 Failure to deliver the Transformation Strategy Likelihood increased from 2 to 3 as a result of Covid19 impacting upon planned work and investments

CRR_FCS26 Short term loss/failure of main ICT systems Impact increased from 2 to 3 as a result of more remote working

CRR_FCS27 Threat of major successful cyber-attack Likelihood increased from 2 to 3 to take account of the increase prevalence of cyber attack whilst systems are perceived to be under pressure

CRR_NS08 Failure of internal health and safety compliance or enforcement of health and safety Impact raised from 2 to 3 as a result of rapidly changing working practices to respond to Covid19 guidelines

CRR_TR17 Inability to draw down Growth Deal 2 funding within specified timescales Likelihood increased from 2 to 4 as a result of delays to the Chapel Lane project – delays due to Covid19 may result in loss of funding with a spend deadline of March 2021

OR_FCS09 Loss of capital/lower interest earned on investments, due to current economic climate Likelihood increased from 2 to 4 as a result of Covid19 impact on interest rates potentially a significant reduction in the interest earned on investments plus a reduction in the capital value again potentially significant particularly if the values do not recover in the next 4 years.

OR_TR14 Partners closure of buildings where RBC has contact points, including RCSC Likelihood increased from 2 to 3 as a result of partners closing buildings where RBC has contact points (libraries and medical centres) due to Covid19 – online and telephone services have been maintained but face-to-face contact is restricted until buildings reopen

OR_TR19 Risk to staff health due to their work Impact raised from 2 to 3 and likelihood increased from 1 to 2 both as a result of Covid19 – some staff work out and about in the community and are at greater risk of catching Covid19. However, the Council has undertaken the necessary risk assessments and put control features in place to protect staff

OR_TR24 Failure to successfully review the day to day operation of the Rushcliffe Arena Impact raised from 2 to 3 to highlight the increased impact of failing to respond to Covid19 by reviewing the way staff work at the Arena to ensure it is a Covid-secure workplace

Risks Decreased

CRR_FCS01 Failure to properly deal with community governance review legislation, Community Right to Challenge, and nominations for assets of community value Likelihood reduced from 2 to 1 as appropriate staff in place to properly deal with requests

CRR_FCS03 Failure to prevent or detect fraud and corruption Impact reduced from 3 to 2 as no impact from cases in recent years

CRR_FCS28 Failure to comply with General Data Protection Regulation Impact reduced from 3 to 2 as new DPO in place and trained

CRR_FCS29 Loss or compromise of confidential or restricted information or data Impact reduced from 3 to 2 as new DPO in place and trained

OR_CO04 Cost of defending appeals for large scale residential developments and potential award of costs Likelihood reduced from 2 to 1 - Local Plan Part 2 has now been adopted and it can be regarded that the Council has an up to date Development Plan and a five year supply of deliverable housing sites, currently estimated at 8.5 years. Whilst this position has not yet been challenged at appeal, it is considered that the risk of appeals for large scale residential development has reduced and the Council is now in a better position to defend such appeals.

OR_FCS10 Reputational risk to the Council following adverse media coverage Likelihood decreased from 3 to 2 as team are experienced and able to deal with issues as they occur

OR_TR05 Failure to manage asbestos in buildings under our control Likelihood reduced from 2 to 1 – Recent demolition and/or disposal activity [eg Abbey Rd depot] has reduced volume and high risk types of ACM and, therefore, likelihood of an event

- 4.4. Risks removed – no risks have been removed since the last report to this Group.
- 4.5. In response to the Covid19 pandemic, a number of new risks have been proposed by officers to cover the key areas of concern. The key areas of concern are:
- Delivery of the Carbon Management Plan
 - Recovery of the Borough's high streets
 - Recovery of the leisure sector
 - Impact of a second wave of Covid19
 - Cyber Attack
 - Income volatility
 - Anti-Social Behaviour and Domestic Violence
 - Homelessness
 - Local Government Reorganisation
- 4.6. **Appendix B** lists the risks that, pending Group approval, will be added to the Corporate Risk Register to ensure that the risks to the Council posed by Covid19 are controlled. In summary, the new risks are:

- Impact of Covid19 on the Council's budget
- Impact of Covid19 on the Borough's high streets
- Ability of high streets to implement the necessary safety measures
- Impact of Covid19 on the Borough's leisure facilities and their ability to recover whilst consumer confidence is uncertain
- Ongoing impact of Covid19 on the Borough's leisure facilities whilst operating within the Covid-secure guidelines
- Ability of the Borough Council to maintain frontline services in the event of a second wave of Covid19
- Failure to manage a Local Lockdown
- Increased risk of domestic abuse or neglect involving children
- Increased risk of Anti-Social Behaviour
- Increased number of residents presenting as homeless
- Lack of emergency accommodation for those at risk of homelessness.

5. Risks and Uncertainties

- 5.1. If risks within the Risk Register did not have the correct level of mitigation there would be a heightened threat if a risk occurred. Arrangements are in place to reduce risk by implementation of the Risk Management Strategy.

6. Implications

6.1. Financial Implications

The Risk Management Group ensures that the financial risks of the Council are managed.

6.2. Legal Implications

There are no implications in this report, the processes in place provide good risk management.

6.3. Equalities Implications

The Risk Management Group ensure that equalities implications are contained within this register.

6.4. Section 17 of the Crime and Disorder Act 1998 Implications

The Risk Management Group ensure that the Section 17 implications are contained within this register.

7. Link to Corporate Priorities

Quality of Life	Maintaining an accurate and up-to-date Corporate Risk Register assists the Council in delivering its Corporate Priorities.
Efficient Services	
Sustainable	
Growth	

8. Recommendations

It is RECOMMENDED that Governance Scrutiny Group:

- a) notes the contents of this report in relation to existing risks;
- b) considers the new risks identified in response to the global Covid19 pandemic and makes any comment necessary on the risk ratings awarded to them.

For more information contact:	Peter Linfield Executive Manager - Finance and Corporate Services Tel: 0115 9148439 plinfield@rushcliffe.gov.uk
Background papers available for Inspection:	
List of appendices:	Appendix A – Rushcliffe Borough Council Risk Register Appendix B – New risks identified as a result of Covid19