

Report title	Q2 2024/25 Corporate Risk Profile and report
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Department	Chief Executive's Office
Exempt?	No – exempt information moved to exempt appendix
Exemption type	3) Financial or business affairs (commercially sensitive) 4) Consultations, negotiations (e.g. labour relations)
Reasons for exemption	The 2 risks that are exempt contain information relating to staffing

<p>Purpose of report:</p> <ul style="list-style-type: none"> • For information

<p>Synopsis of report:</p> <p>As per the approved risk management framework, this report presents an update on risks for the organisation as at end of Q2 2024/25. This also presents a 'deep-dive' in to the 'significant' risks identified for emergency planning and climate change.</p>

1. Context and background of report

- 1.1 In January 2024, this Committee approved the risk reporting mechanism including frequency and format. This report provides the update at the end of Q2 2024/25 in line with the risk reporting methodology.
- 1.2 In the intervening period since the last report presented in May 2024, Members, through the Chair, have requested additional assurance on risks associated specifically with emergency planning and climate change. Sections 2.12 and 2.18 in the body of the report below provide a summary for these risk topics to assure Members that risk in these areas are actively managed.

2. Report

- 2.1 Risk management is a dynamic and continuous process. New risks may surface, risk probability may change due to a number of factors, risks may no longer be current. Service areas and risk owners have reviewed their risk registers and updated as appropriate during July and August. A snapshot of the risk management data was taken on 14 Aug 2024 in order to prepare this report and compile the dashboard forming the Council's risk profile.
- 2.2 Recommendations arising from the internal audit of risk management completed in May 2024 have now been implemented. Within the risk management system, the officer responsible for delivery of the action plan or mitigation response is now

captured, as well as the risk owner. A field also captures whether the action plan or mitigation has been delivered. Unless the action plan has been delivered, the post-mitigation score should reflect the pre-mitigation score. In this way, the post-mitigation score is a true reflection of the current status of the risk identified. To note that this has impacted on the number of risks that are reporting an upwards score post-mitigation as this anomaly has been rectified in the intervening period.

- 2.3 The dashboard shown at Appendix A shows the Council's risk profile excluding National Risk Register (NRR) entries. Relevant NRR entries are now shown separately on page 4 of the dashboard at Appendix A and are not included in the overall risk numbers presented in this report.
- 2.4 The Council has currently identified a total of 268 risks (excluding 21 NRR entries) from service, project and contract risk assessments which have been categorised against the thirteen risk categories. Risks have been reviewed by Risk Owners during July and August and scores revised where necessary. Nineteen new risks have been added to the risk management system since last reported. Eleven risks have been archived as the risk is no longer relevant.
- 2.5 The risk score is calculated by assessing both the likelihood and impact of the risk if it were to occur without and with mitigation using a scale from 1 to 5. Multiplying the likelihood by the impact gives the overall risk score and is therefore between 1 – 25.
- 2.6 The post-mitigation risk score is used to identify those risks above the threshold (>10 risk score, thick black line in the diagram below) that are escalated to the Corporate Leadership Team (CLT) for consideration of inclusion on the corporate risk register. 'Significant' risks are defined as those risks that score above 15 post-mitigation (highlighted red in the diagram below).

LIKELIHOOD (A)	Certain 5	5	10	15	20	25	Likelihood of Occurrence (A)	Severity of Impact (B)		
	Probable 4	4	8	12	16	20			1 – Highly unlikely to happen	1 – Negligible impact
	Possible 3	3	6	9	12	15			2 – Unlikely to happen	2 – Only a small effect
	Unlikely 2	2	4	6	8	10			3 – Possibly will happen	3 – Noticeable effect
	Highly unlikely 1	1	2	3	4	5			4 – Probably will happen	4 – Serious problem with significant impact
		Negligible 1	Small 2	Noticeable 3	Serious + Significant 4	Critical + Considerabl 5			5 – Certain to happen	5 – Critical issue and considerable impact
IMPACT (B)										

- 2.7 Of the total 268 risks identified, 68 (25%) score above the threshold post-mitigation (>10), of which 27 are 'significant' risks, scoring above 15 (10%). Page 2 of Appendix A lists the 27 'significant' risks from across the organisation. The distribution of risks above the threshold per risk category is shown in the table below. Operational and Financial risks continue to be the most commonly attributed risks.

Risk Category	TOTAL no. of risks in category	Sub Total below the threshold (<10)	10	12	15	16	20	25	Grand Total >10	Grand Total >15	TOTAL no. of risks in category
Operations	69	52	3	9	1	1	3	0	17	5	69
Financial	51	31	0	11	2	5	2	0	20	9	51
Property	27	19	0	2	1	4	1	0	8	6	27
People	30	27	0	2	1	0	0	0	3	1	30
Legal	11	8	0	2	1	0	0	0	3	1	11
Strategic	13	8	0	5	0	0	0	0	5	0	13
Security	2	1	0	0	0	1	0	0	1	1	2
Data and Information Mgmt	13	10	0	2	1	0	0	0	3	1	13
Reputational	15	11	0	2	0	2	0	0	4	2	15
Governance	17	15	0	1	0	1	0	0	2	1	17
Technology	10	9	0	1	0	0	0	0	1	0	10
Commercial	7	6	0	1	0	0	0	0	1	0	7
Project/ Programme	3	3	0	0	0	0	0	0	0	0	3
Grand Total	268	200	3	38	7	14	6	0	68	27	268

2.8 As per the risk management framework, risks with post-mitigation risk scores above 10 are escalated for review by CLT for inclusion in the Corporate Risk Register (CRR). Following this review, below is the updated profile of 34 risks that make up the Corporate Risk Register as at 14 August 2024. Appendix A page 3 shows the risk records that form the Corporate Risk Register, sorted by post-mitigation risk score (high to low).

Risk Category	12	15	16	20	Grand Total
Financial	4	1	3	2	10
Operations	3	1	1	3	8
Property	1	1	3	1	6
Reputational			2		2
Legal	1	1			2
Strategic	2				2
Technology	1				1
Data and Information Mgmt	1				1
Governance			1		1
People	1				1
Grand Total	14	4	10	6	34

2.9 Risk trend is calculated by the movement in post-mitigation risk score since the last snapshot extract was taken in March 2024. Thirty-five risks have an upwards change in risk score post-mitigation. Thirty of these are due to the change required by internal audit – if the action plan has not been delivered the score pre- and post-mitigation must be the same. These will be monitored over the next period to ensure that action plans are progressed and risk mitigation is put in place. Five are reporting a true increase in post-mitigation score, as either the risk probability or impact has increased. Two of these are reporting post-mitigation scores above the threshold:

CDCS017 - Legacy Pay and Display machines reaching end of life and end of contract.
Project risk: Post-mitigation score has moved from $3 \times 3 = 9$ in March 24 to $4 \times 3 = 12$ in August 24.
Update provided: Procurement complete and successful supplier identified.
Machines are in production and due to be delivered September 24.

EPR002 – Power blackouts

Emergency planning risk: Post-mitigation score has moved from $2 \times 4 = 8$ in March 24 to $3 \times 4 = 12$ in August 24.
Update provided: Precise data is lacking but there is a perceived increase in the probability of Power Outages due to several older, traditional power stations stopping operating, increased power demands, etc.

- 2.10 Ten risks have a downwards change in risk score post-mitigation, two of which remain above the threshold with scores of 12:

CRR_3 Current Business Continuity arrangements are not sufficient to deal with a severe disruptive event

Moved from $4 \times 5 = 20$ in Mar 24 to $3 \times 4 = 12$
Update provided: All Business Continuity Plans will have been reviewed and updated by 31 August 2024.

H008 Insufficient staffing resource in procurement or service area to procure level of contracts required to achieve and maintain Decent Homes standard

Moved from $4 \times 4 = 16$ in Mar 24 to $3 \times 4 = 12$
Update provided: Most significant contracts are in place, however this is a cyclical process with an ongoing requirement from a small service and corporate teams so any staff vacancy has a serious impact.

- 2.11 Eight new risks have been identified across the organisation since the last report, listed on page 1 of Appendix A dashboard. Four of these have post-mitigation scores above the threshold and a summary of these risks is given below and in exempt Appendix B:

CDCS021 Replacement Wide Area Network (WAN) internet line is not procured and installed prior to the cut-off date of the existing line.

Post-mitigation risk score given: $3 \times 4 = 12$
Update provided: BT have installed the two lines and commissioned the router on 8 August. Lines have been tested and are successful and have now been passed over to DS for configuring IP addresses. Back on target for successful migration to new PSN lines and switch off of Unicorn.

DSO045 Legionella in public toilets and/or showers

Post-mitigation risk score given: $3 \times 4 = 12$
Update provided: Work underway with Assets to create a written scheme and review risk assessments for each toilet/shower. Ensure flushing regime and water testing is adhered to.

CS012 EXEMPT INFO

CS013 EXEMPT INFO

- 2.12 Risks identified for emergency planning.

- 2.13 Within the risk management system, risk records that relate to Emergency Planning from either the Generic or Service-Specific risk registers are 'tagged' to support reporting regardless of the risk owner.
- 2.14 The Generic - Emergency planning risk register has been developed to log emergency planning risks which are generic in nature and applicable to the organisation as a whole. The risk owner for this risk register is the Head of Infrastructure and Emergency Response. 17 risks (excluding National Risk Register entries) have been identified in total, 8 of which score above the threshold (post-mitigation) and 2 determined as 'significant', scoring above 15.
- 2.15 In addition, service-specific emergency planning risk may have been identified by a service area which is not applicable to the organisation as a whole. These risks are owned by the service area, typically the Corporate Head of Service. For example, flooding of the Chertsey depot site is a service-specific risk that could impact on DSO fleet movements which is logged in the Environmental Services Risk Register. However, this is 'tagged' under emergency planning as in the event the risk materialised, the business continuity and emergency plan would be enacted. A further 5 risks are tagged in this way as emergency planning risks, 1 of which scores above the threshold (post-mitigation) and none determined as 'significant'.
- 2.16 The 2 'significant' emergency planning risks are detailed below alongside a commentary for each one to provide context and an update on latest position to provide Members with assurance that these risks are being actively managed and mitigated where possible. Both are included on the Corporate Risk Register.

EPR001 Accelerated threat of domestic terrorism and the risk of public disorder.

Post-mitigation score $4 \times 4 = 16$

Update provided: Emergency Plan, Prevent Plan and Business Continuity plans in place. However, probability score post-mitigation remains high due to public disorder events taking place elsewhere in the country.

CRR_10 Runnymede and LRF unprepared for a major incident within the Borough resulting in a poor response. Unable to meet requirements of the Civil Contingencies Act.

Post-mitigation score $3 \times 5 = 15$

Update provided: Risk and Resilience service provision in place. Strong engagement with partners through the LRF and locally. Both the Council and / or AR attends LRF Delivery Group meetings and numerous sub groups. RBC takes part in regular internal and multi-agency exercises. BECC Exercise will be delivered in October 2024.

- 2.17 Page 5 of the dashboard at Appendix A provides the full list of all 22 risks that are identified as emergency planning risks.

2.18 Risks identified for climate change.

- 2.19 Within the risk management system, risk records that relate to Climate Change from either the Generic or Service-Specific risk registers are 'tagged' to enable reporting regardless of the risk owner.
- 2.20 The Generic – Climate Change risk register has been developed to log climate change risks which are generic in nature and applicable to the organisation as a whole. The risk owner is the Planning Policy and Climate Change Manager. 6 risks

have been identified in total, 3 of which score above the threshold (post-mitigation) and 2 are determined as 'significant', scoring above 15.

- 2.21 In addition, service -specific risk may have been identified by a service area which is not applicable to the organisation as a whole. These risks are owned by the service area, typically the Corporate Head of Service. A further 22 risks are tagged as climate change risks 5 of which score above the threshold (post-mitigation) and one is determined as 'significant', scoring above 15.
- 2.22 The 'significant' risks are detailed below alongside a commentary for each one to provide context and an update on latest position to provide Members with assurance that these risks are being actively managed and mitigated where possible. These are included on the Corporate Risk Register.

CC002 The Council may not meet the operational net zero target by 2030

Post mitigation score 4 x 4 =16

Update provided: The Council's Climate Change Strategy (2022) and Action Plan (adopted Feb 2024) set out a roadmap for how the Council will work towards achieving its 2030 operational net zero target. Annual carbon emissions reports are produced to track progress. The Climate Change Working Party meet 4 times a year. One of the purposes of this group is to work together to better understand the obstacles faced in achieving the Council operational net zero target, and developing reasonable options to overcome them. Moving forwards, annual Service Area Plans will set climate change priorities each year, and annual Communications Plans are also proposed from the 2024/25 financial year onwards to set priorities for the Council's climate change response for the year ahead. These will provide transparency and ensure a joined-up approach with Service Area Plans. Biggest risk to achieving our 2030 target is our ability to decarbonise the Council's operational buildings. This is largely for financial reasons.

CC006 Insufficient budget to meet operational net zero target, or to allow the Council to use its sphere of influence to maximum effect to meet the 2050 Borough net zero target.

Post mitigation score 4 x 4 =16

Update provided: currently costing information is secured on a project by project basis when the specific details of a project are known. £100k capital budget annually currently for next 5 years for climate change response. £100k revenue spend also agreed in January 2024 for 3 years from 2024/5 to pump prime the Council's response to climate change to allow early action to be taken. It is possible in the future that a financial appraisal of the Council's Action Plan could be undertaken to build on the high level costing information currently contained. Technology could reduce in cost in future as more demand led innovation. The Council secured £1.25 million of funding in March 2024 to decarbonise its social housing stock which will help this part of the Council's estate (outside of its operational estate) meet the national 2050 target. External funding pots will continue to be explored.

EPR001 Accelerated risk of public disorder.

Post-mitigation score 4 x 4 = 16

Update provided: This risk is flagged as both an emergency planning risk as well as a climate change risk. Public disorder could be the consequence of climate change-activism and cause disruption within the Borough or transport links for travel to or from the Borough e.g. just stop oil protests.

2.23 Page 6 of the dashboard at Appendix A provides the full list of all 28 risks that are identified as climate change risks.

2.24 Continuous improvement and proposal for future deep-dive topics.

2.25 The risk management system was developed and rolled-out 12 months ago to improve corporate transparency and quality of risk data and enable better reporting capability. It is timely to seek feedback on the use of the system for continuous improvement. Similarly, in reviewing the data held in the risk management system, there are teams that could benefit from additional training to further improve risk data quality. In implementing the recommendations from internal audit regarding post-mitigation scores, 30 risks have been identified this time where the score has been amended to match the pre-mitigation score as the action plan has not yet been delivered. The action plans were in place in March 2024 and therefore it is proposed to use sessions to prioritise progress and delivery of these action plans. It is therefore planned to hold risk management sessions with department management teams before the next reporting cycle.

2.26 The use of data-tagging is a useful improvement to the risk management system. As shown above with emergency planning and climate change, this allows for easy extraction of data for risks associated with topics across all risk registers and therefore benefits reporting. It is proposed to tag risk records that are dealing with risks associated with compliance (health & safety, regulatory, legislative compliance) and bring forward a deep-dive of these risks at the next scheduled reporting period at the end of Q4 2024/25.

3. Policy framework implications

3.1 Regular reporting of risk to this Committee is part of the Council's approved Risk Management framework.

3.2 Managing risk supports delivery of the Corporate Business Plan 2022-2026 as follows:

Corporate Business Plan achievement

- Increased probability of achieving strategic objectives: through minimising or removing key obstacles.

Organisational Development

- Improved awareness of risk: the Council can become less risk averse if risks are identified, assessed and mitigated.
- Improved corporate governance: through stronger, more transparent, evidence-based decision making, accountability and prioritisation.
- Safeguard the organisation and provide assurance to all stakeholders such as elected members and residents.

3.3 Risk management is an integral part of corporate governance and is a principle in the Local Code of Corporate Governance (Principle F: Managing Risk).

4.1 Resource implications

4.1 Failure to mitigate risks or take advantage of opportunities could result in financial loss to the Council.

5. Legal implications

- 5.1 The Council has a legal duty to have risk management arrangements in place, as stated in the Accounts & Audit Regulations 2015 (Part 2: Internal control Responsibility for internal control):

“A relevant body must ensure that it has a sound system of internal control which:

- (a) facilitates the effective exercise of its functions and the achievement of its aims and objectives.*
- (b) ensures that the financial and operational management of the authority is effective.*
- (c) includes effective arrangements for the management of risk.”*

6. Equality implications

- 6.1 None arising directly from this report.

7. Environmental/Sustainability/Biodiversity implications

- 7.1 None arising directly from this report.

8. Risk implications

- 8.1 Failure to regularly review and report risk could have an adverse impact on the Council’s achievement of corporate and strategic objectives.
- 8.2 Failure to regularly review and report risk could have an adverse impact on the Annual Governance Statement.

9. Timetable

- 9.1 Risk reporting to this Committee will be on a six-monthly basis. The next report is therefore due after the end of Q4 2024/25. Due to Committee meeting scheduling, this will be in May 2025.

10. Conclusions

- 10.1 This report provides the Council’s risk profile as at 14 Aug 2024. Comprehensive information is provided on topic areas of Emergency Planning and Climate Change.

11. Background papers

- None stated

12. Appendices

- Appendix A: Risk dashboard for Quarter 2 2024/25
- Exempt Appendix B: Exempt information concerning risks CS012 and CS013