

AUDIT AND ASSURANCE COMMITTEE
Meeting date: 17th September 2020
From: Director of Finance (s151 Officer)

2020/21 QUARTER 1 CORPORATE RISK REPORT

1.0 EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to provide Members with a refreshed Corporate Risk Register for 2020/21 and a progress update on these corporate risks for the first quarter to 30 June 2020.
- 1.2 During this first quarter of 2020/21, and particularly from early March through to June the spread of the novel coronavirus (COVID-19) across Cumbria had an unprecedented impact on lives, communities, the economy and public services across Cumbria. While the epidemic has not gone away it has begun to subside with fewer cases being reported across the County and as a consequence the Council has been working with multiagency partners to implement recovery arrangements.
- 1.3 COVID-19 has had a significant impact on the way the Council delivers its services and these impacts have not been uniform across the organisation. Some Council Services, particularly in our People Services have been in the front-line of the response to the epidemic, others have been impacted by the lock-down restrictions and have found new and innovative ways of continuing to deliver to the public and yet other Services have had to be temporarily reduced or even suspended to comply with national guidance.
- 1.4 Although the lock-down restrictions have begun to ease and national threat levels have decreased we are unable to return to operating the way we did prior to the start of the pandemic. The Council as with other Local Authorities has commenced a review of how it will restart its services in safe ways for our customers and workforce, but unlike other wide scale emergencies we anticipate that COVID-19 will continue to add uncertainty and challenge to the funding and the provision of Local Public Services in 2020/21 and onwards.

The Council maintains a strong focus on business continuity and emergency planning, including learning from experience of managing major incidents and participating in national and local planning exercises. In the previous 18 months before COVID-19 impacts, a refresh of business continuity plans and risk management arrangements strengthened the council's position. The corporate risk register inevitably has a degree of interdependency between a number of risks. The context of COVID-19 has added to this with a cross reference to many of them.

- 1.5 All corporate risks, for Quarter 1 have been reviewed by Corporate Management Team and considered at Cabinet Briefing. They are presented in this report to provide assurance that the Council's current Risk Management arrangements are both robust and effective.

2.0 STRATEGIC PLANNING AND EQUALITY IMPLICATIONS

- 2.1 The Council Plan 2018-2022 was agreed by full Council in February 2018 and sets the context for fresh approaches and new programmes of work for the Council to take forward over the coming 4 years. The Council Plan Delivery Plan agreed by Cabinet in June 2018 sets out how the Council will contribute towards achieving the outcomes of the Council Plan, with the delivery plan focused on achieving 3 outcomes:

- i. Places in Cumbria are healthy and safe;
- ii. Places in Cumbria are well-connected and thriving;
- iii. The Economy in Cumbria is growing and benefits everyone.

- 2.2 In context of our New Ways of Working, the Delivery Plan also sets out what we aim to do to ensure that we as an organisation are financially sustainable for the future and can continue to support communities and deliver the best services with the resources available.

- 2.3 All risks included in the current Quarter 1 Corporate Risk Register have been reviewed and refreshed for 2020/21 and were approved by CMT in August 2020.

3.0 RECOMMENDATION OF THE DIRECTOR

- 3.1 **Members are asked to note the refreshed Corporate Risk Register for 2020/21.**
- 3.2 **Members identify any additional new or emerging risks to be considered for inclusion in the Corporate Risk Register.**
- 3.3 **Members are asked to consider the content of the Quarter 1 Risk Report, and agree that it provides sufficient assurance that the current Risk Management arrangements are both robust and effective.**

- 3.4 **Members are asked to receive a presentation on the corporate risk; *The Impact of COVID-19 on the delivery of Council Services.***

ADVICE OF DIRECTOR

4.0 QUARTER 1 2020/21 CORPORATE RISK REGISTER

- 4.1 **Summary of Corporate Risks:** There are 12 risks on the Quarter 1 corporate risk register, 8 high risks and 4 medium risks. A summary of the high rated risks are listed below in Table 1;

Table 1 - The Council's High Rated Risks at Quarter 1
1.The impact of COVID-19 on the provision of Council Services
2. Deliver a Financially Sustainable Authority
3. Workforce Capacity, Skills, Relationships, Safety & Wellbeing
4. Increasing Demand on Children's Services
5. Health and Social Care Demand and System Failure
6. Resilience of the Care Sector and impact on meeting care needs
7. Information Security Arrangements
8. Cumbria COVID-19 Local Outbreak Control Plan fails to prevent or reduce the extent and severity of COVID-19 outbreaks.

Appendix 1 provides a comparison of 2019/20 Quarter 4 and 2020/21 Quarter 1 corporate risks indicating whether any new risks have been identified, any previous risk has rolled forward into the Q1 register unchanged, whether any previous risk description has been rewritten or whether any previous risk is to be closed off and removed from the register.

Appendix 2 provides a summary of the Quarter 1 corporate risks showing comparative risk scores for Q4 & Q1, end of year target scores and direction of travel.

Appendix 3 offers a more detailed update on the current controls and ongoing improvements to controls over the coming 3 months for each risk. During the process of refreshing all risks, this Risk Register has been revised to provide more focus on the Key Controls for each risk, namely those activities that have or will have the greatest impact on the management or mitigation of the risk.

Summary of changes to Corporate Risks compared with the previous Quarter:

4.2 Table 2 below, provides a summary of the overall changes to the refreshed corporate risk register (further details are found in Appendix 1);

Table 2 – Summary of refreshed risks	
Recommendation	Risk Titles
Risks rolling forward with unchanged risk description.	<ul style="list-style-type: none"> • Impact of COVID-19 on the delivery of Council Services • Safeguarding of Children • Safeguarding of Adults • Deliver a Financially Sustainable Authority • Workforce Capacity, Skills, Relationships, Safety and Wellbeing • Information Security Arrangements • Management of Significant Contracts
Risks with reworded risk descriptions	<ul style="list-style-type: none"> • Increasing demand on Children’s Services • Health and Social Care Demand and System Failure • Resilience of the Care Sector and impact on meeting care needs
New Risk	<ul style="list-style-type: none"> • Cumbria COVID-19 Local Outbreak Control Plan • Impact of exiting the Brexit transition period without a trade deal on the provision of Council Services
Risks to be closed off from the register	<ul style="list-style-type: none"> • Learning Disability Partnership arrangements

4.3 Additionally, one emerging risk remains at 2020/21 Quarter 1.

Recommendation	Risk Titles
Emerging Risks	<ul style="list-style-type: none"> • Climate Change

New Risks:

Cumbria COVID-19 Local Outbreak Control Plan

- 4.4 Although the County Council has a statutory duty for the production of the Cumbria COVID-19 Local Outbreak Control Plan, the actual implementation of the plan reflects a multi-agency partnership approach and has been endorsed by all partners to the Local Resilience Forum who will contribute to delivering the plan. Following review of the plan's consultation it will be adopted by the Local Resilience Forum and will form part of the overall Cumbria Emergency Plan Framework
- 4.5 The Outbreak Control Plan describes Cumbria's approach to managing outbreaks of COVID-19 and has been developed in 3 parts:
- Part 1 describes the overall strategy and approach being taken
 - Part 2 sets out the detail of the operating procedures that each bit of the local system will follow
 - Part 3 lists key contact details that may be required by people responding to incidents and outbreaks.
- 4.6 Part 1 of the Plan outlines both the Governance structure and Resourcing aspects of the Plan, detailing the main multiagency bodies and specialist groups in place who are responsible for the oversight & the implementation of the Plan;
- Health Protection Board
 - Strategic Coordination Group
 - Public Heal Alliance
 - Local Area Outbreak Board
- 4.7 For all of these groups the Part 1 Plan defines; chairmanship, membership, roles and responsibilities, decision making approach and meeting arrangements.
- 4.8 A corporate risk has been developed to address the possibility of the plan failing to prevent or reduce the extent and severity of COVID-19 outbreaks and resulting in the return to increased lockdown restrictions.

Impact of exiting the Brexit transition period without a trade deal on the provision of Council Services

- 4.9 The UK agreed to formally exit the European Union on 31 January 2020 and this decision triggered the beginning of the transition period scheduled to end on 31 December 2020. Preparations were in place for the original Brexit deadline of 29 March 2019 and continued to be monitored to meet the revised Brexit deadline of 31 Oct 2019 & 31 Jan 2020.
- 4.10 During the Transition Period legislative and regulatory frameworks, and trading relationships, have remained largely the same as pre-31 January 2020. UK / EU trade negotiations during this transition period have been disrupted as a result of the COVID-19 pandemic and although negotiations have recommenced, a deal must be achieved by the end of October for it to be ratified in time.
- 4.11 Based on National Planning Assumptions for a No-Deal Brexit, a risk based approach was taken and an overarching assessment of areas of highest potential impact was developed across all Council Services and thereafter specific risk assessments were undertaken for the highest impact service areas and have been kept up-to-date.
- 4.12 For the last 18 months we have been reporting on the risk management activity around Brexit No-Deal planning as an emerging risk. At the time of drafting this report there is uncertainty whether a deal will be secured before the end of 2020 and given the timeframe, CMT concluded that the emerging risk be reconsidered and included on the risk register.
- 4.13 As Audit and Assurance Committee is aware from previous meeting updates, in 2018 and 2019 the Brexit Working Group prepared a series of risk assessments of potential impacts. All previous Brexit No-deal risk assessments will be reviewed and refreshed as necessary and all Business Continuity arrangements will be reviewed in context of these refreshed risk assessments. In addition, we will be taking into consideration other potential concurrent events that may occur close to the end of the transition period, such as winter flu and the continuing and possible escalating impact of COVID-19.
- 4.14 A corporate risk has therefore been developed where the principal areas of risk for the County Council are set out in the risk register (Appendix 3) and summarise the previous planning activity and controls already in place for this eventuality and outline further planned activity over the coming months.

Reworded Risks

4.15 There are three risks that have been reworded:

i **Increasing demand on Children's Services**

There is an expected further increase in demand on Children's Services as a secondary consequence of COVID-19 for children and their families, and one of many impacts of this changing demand would be an increase in the number of Children Looked After. It was therefore recommended that the Children Looked After Risk was rewritten in context of a broader risk to consider the impact on the whole Children's Services system.

ii **Health and Social Care Demand and System Failure**

The risk has been reworded to reflect COVID-19 may create unprecedented demand due to secondary consequences of COVID-19, a second wave of COVID-19 and/or winter pressures. This demand would impact the health and social care system and partnership and integration will be a key mitigating action but the system risk could be caused by various demand elements leading to failure.

ii **Resilience of the Care Sector and impact on meeting care needs**

Two previous risks in Qtr 4 relating to Care Needs and Commissioning have been combined and re written to reflect the risk of the care market being further impacted by COVID-19 pandemic, any potential second wave and winter pressures. There is an expectation there will be changes in types and volumes of demand for services and therefore the risk relates to both a change in need and the care market requirement to respond in the current climate.

Closed Off Risks

4.16 One risk has been closed off the risk register;

- i. Learning Disability Partnership arrangements – this will now be managed as a Directorate Risk

Rescored Risks

4.17 For those risks rolling forward unchanged onto the Quarter 1 risk register there has been no change to the actual risk scores.

Notable Emerging Risks

Climate Change

- 4.18 The implications of Climate Change will also remain an emerging risk for 2020/21. The Council has made a strong commitment in the Joint Public Health Strategy to reduce the impacts of climate change and reach a net zero carbon position for Cumbria and as such will continue as Joint Chair of the Cumbria Climate Change Working Group (CCWG).
- 4.19 The CCWG will continue to take a sector led response to the challenge of achieving a net zero carbon position for the county focussing on energy, transport, land use, housing and business. Having recently received the findings of a commissioned carbon baseline report, work is ongoing to develop a sector led roadmap to enable the agreed targets to be met.
- 4.20 In addition, the Working Group has been successful in securing funding over the next 4 years that will enable the recruitment of a small number of posts who will assist in the delivery of their objectives.
- 4.21 The Council continues to reduce its own emissions from Council Buildings, from street lighting, through the reduction of staff travel and the use of electric vehicles. Additionally and as part of the Carbon Management Strategy, the Council is reviewing opportunities for energy efficiency and energy generation on the Council estate.

Other Risk

- 4.22 At the last Audit and Assurance committee the possible impacts of Scottish independence were raised and have therefore been further considered for inclusion on the corporate risk register. On 1 September 2020 the Scottish Government announced it is to set out its plans for a second independent referendum in the form of a *Draft Independent Referendum Bill* before the Scottish Parliament elections in May 2021. Therefore, this situation will continue to be considered in future as part of horizon scanning but it has not been included as a corporate risk at this point in time.

OPTIONS

- 5.0 **Options** - There are 3 options for Members to consider:

- 5.1 **Option 1** - Members agree that the content of the report and the appendices provides sufficient assurance that the current Risk Management arrangements are both robust and effective.

5.2 **Option 2** - Members agree that the content of the report and the appendices does not provide sufficient assurance that the current Risk Management arrangements are both robust and effective.

5.3 **Option 3** - Members identify any additional new or emerging risks or opportunities to be considered.

6.0 **CONCLUSION**

6.1 All Corporate Risks have been reviewed and refreshed for 2020/21 and a progress update provided for Quarter 1, up to 30 June 2020. All corporate risks have been approved by Corporate Management Team and Cabinet Briefing meeting on 3rd September.

6.2 The Quarter 1 risk register contains 12 high or medium rated risks and work continues to either manage or mitigate those risks.

Julie Crellin, Director of Finance (s151 Officer)

Date: 08 September 2020

Appendices

Appendix 1	Corporate Risk Refresh – Q4 & Q1 comparison	Q1 2020/21
Appendix 2	Corporate Risk Summary Profile	Q1 2020/21
Appendix 3	Corporate Risk Register	Q1 2020/21

Electoral Division(s): *

* *Please remove whichever option is not applicable*

Executive Decision

<input type="checkbox"/>	No*
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Key Decision

* <input type="checkbox"/>	No
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If a Key Decision, is the proposal published in the current Forward Plan?

<input type="checkbox"/>	<input type="checkbox"/>	N/A
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Is the decision exempt from call-in on grounds of urgency?

<input type="checkbox"/>	No*
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If exempt from call-in, has the agreement of the Chair of the relevant Overview and Scrutiny Committee been sought or obtained?

<input type="checkbox"/>	<input type="checkbox"/>	N/A*
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Has this matter been considered by Overview and Scrutiny?
If so, give details below.

<input type="checkbox"/>	No*
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Has an environmental or sustainability impact assessment been undertaken?

<input type="checkbox"/>	<input type="checkbox"/>	N/A*
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Has an equality impact assessment been undertaken?

<input type="checkbox"/>	No*	<input type="checkbox"/>
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N.B. If an executive decision is made, then a decision cannot be implemented until the expiry of the eighth working day after the date of the meeting – unless the decision is urgent and exempt from call-in and the Corporate Director has obtained the necessary approvals.

PREVIOUS RELEVANT COUNCIL OR EXECUTIVE DECISIONS

No previous relevant decisions.

CONSIDERATION BY OVERVIEW AND SCRUTINY

Not considered by Overview and Scrutiny.

BACKGROUND PAPERS

No background papers

RESPONSIBLE CABINET MEMBER

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