

**Agenda Item No:** 6

**Report To:** Audit Committee

**Date of Meeting:** 17 March 2020

**Report Title:** Corporate Risk Register – update March 2020

**Report Author & Job Title:** Charlotte Hammersley, Compliance and Data Protection Manager

**Portfolio Holder** Cllr. Neil Bell  
**Portfolio Holder for:** Finance and IT



**Summary:** Twice a year the Audit Committee considers the council's corporate risks and is asked to note the updated assessments and to agree the adequacy of key controls to manage the risks. This report fulfils those obligations.

The Corporate Risk register is assessed using the Risk Management Framework adopted by the Cabinet in April 2018.

**Recommendations:** **The Audit Committee is recommended to:-**

**Consider the Corporate Risk Register and agree the assessments and the adequacy of key controls to manage the risks.**

**Policy Overview:** Risk Management Framework

**Financial Implications:** None at this stage

**Legal Implications** None at this stage.

**Equalities Impact Assessment** Not required because equalities issues are assessed at the point the project or service the risk relates to are incepted.

**Exempt from Publication:** **NO**

**Background Papers:** **Risk Management Framework**

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## **Report Title: Corporate Risk Management – update report March 2020**

### **Introduction and Background**

1. Twice a year the Audit Committee considers the council's Corporate Risks and risks management processes. This report is an update report providing the latest information on the council's Corporate Risk Register.

The Corporate Risk Register is set out at Appendix A.

### **Proposal/Current Position**

2. The Corporate Risk Register provides details of the council's key risks that could, if untreated, impact on the council's Strategic aims, Financial position or Compliance with the law. Operational risks are monitored regularly by individual services and the council's Management Team on an exception basis. Any risks that become of strategic significance are also reported to this Committee.
3. The Corporate Risk Register is linked to the risk appetite statement which is contained within the Risk Management Framework. The statement is designed to inform decision making about the amount of acceptable risk within which the council chooses to operate. Risks that fall outside of the council's appetite are reported to the Audit Committee. The appetite statement sets out that the council has a moderate appetite to strategic risks, a low appetite to financial risks and a very low appetite to compliance risks. The Corporate Risk Register is informed by those risks that are currently above the risk appetite levels set. The risk appetite statement will be reviewed in light of the council's Corporate Plan for 2020 which is currently being developed.
4. Set out at Appendix A are details of the risks included on the current Corporate Risk Register which provides details of individual risks and explains the current position or any further action that may need to be taken to manage the risk.
5. This report highlights any changes to the risk profiles since the last update, provides details of any new risks that have been included on the register and those that have been managed down to a level where they no longer require reporting on.

## **Brexit Risk**

6. Last year, in the run-up to the various Brexit “deadlines”, reports and presentations were made to members regarding the Council’s and the multi-agency Kent Resilience Forum’s preparations for a possible “no deal” scenario. This included information on business continuity plans in the context of potential traffic disruption arising from delays at the ports and/or the use of the Waterbrook site for transit customs and border-ready checks.
7. Since then, Junction 10A has been substantially completed and open to traffic. The UK left the EU on 31 January 2020. Up to the end of December 2020, the UK is in a “transition period”. During this period existing European rules on a wide range of issues such as the environment, employment, data protection etc will continue to apply in the UK. Also, current trade and border procedures will remain largely unchanged in the transition period. However, if a new trading relationship between the UK and EU is not agreed by the end of December 2020, there will be a “no deal” situation in which the risks of significant delay at the ports and/or around the Waterbrook facility (and the M20 generally) would recur. Accordingly many of the risks the subject of earlier reports will need to be reviewed in the light of the ongoing national situation as we move through 2020.
8. The Government has not yet published its revised national planning assumptions for the period up to December 2020. It is expected to do so in the next couple of months. In the meantime officers will continue to attend the regular KRF meetings at both strategic and operational levels. This will ensure we remain fully up to date on government policy and resilience planning at national and county level. This will enable us to review our own risks and planning in good time.
9. A further Brexit update will be given to members at the appropriate time(s).

## **Strategic Risks**

### **Increased risk profile**

10. The risk that we might not be able to respond to a significant business continuity incident has been raised in light of the coronavirus (COVID-19) outbreak. Whilst the situation continues to be actively managed within the UK (via for example stringent containment and contact tracing arrangements), we are entering a period where cases of infection will inevitably increase. In light of these developments, action the council is taking includes working with relevant agencies through the Kent Local Resilience Forum, developing a dynamic risk assessment of potential impacts on the council’s key services and minimising impacts on our local community by, for example, helping to disseminate and signpost information. This activity is against a background of established business continuity arrangements. Our council response is being coordinated by the Ashford Critical Emergency Resilience Committee with actions being tailored to the nature and scale of the threat, as our understanding of this develops. Actions to date include amended hygiene arrangements and ensuring staff are being advised on measures to prevent the spread of illness. This is critical in terms of minimising potential health

impacts and ensuring that we are able to continue providing key services to our community. As the situation is rapidly changing, a further update on the council's response will be provided at the meeting as necessary.

11. Vacancies in the Planning and Legal Services combined with capacity pressures reported in Cultural Services have increased the risks of not being able to fully resource council projects. The council's Programme Management Group are actively managing this risk to ensure that key projects are delivered and resources allocated where they deliver most benefit.

### **Reduced risk profile**

12. The Ashford Spurs project of works to platforms 3 and 4 to ensure trains can access the station and implementation of KVN signaling. The works to the signaling and contactor system have been completed and the new Eurostar trains have been programmed to commence in May 2020. Therefore, this risk has now been removed from the Corporate Risk Register.
13. The last report to this Committee showed an increased risk of having insufficient resources to respond to the Homelessness Reduction Act. This risk has now reduced back within tolerated levels following a MHCLG grant of £257,000 for rough sleeping being received which will impact positively on the expenditure for dealing with homelessness reduction.
14. Delivery of Digital Transformation has also moved back within tolerated levels following recruitment success. Whilst there is a current vacancy for business analyst which could slow down delivery, a roadmap is being developed for the year which will highlight resources required to maintain momentum.
15. The Local Plan is in place following the challenge that was not upheld. It has therefore been removed from the register. The Junction 10a project has also been removed following its recent delivery.

## **Financial Risks**

### **Increased risk profile**

16. The risk of being unable to generate income from the Ashford Monitoring Centre (AMC) has increased following a decrease in the CCTV income from private clients. The need to deliver the replacement CCTV in public spaces over the past 12 months has diverted resource away from being able to promote the service. The current priority for the service is the lifeline digitization and centre refurbishment. The AMC business plan is also being reviewed.

### **Reduced risk profile**

17. The risk of a downturn in the economy impacting on parking income has reduced this period. New car parking sites responding positively to promotions aimed at increasing usage. Automatic Number Plate Recognition

(ANPR) is currently being introduced which will allow additional pricing flexibility to protect income. A review of parking charges scheduled this year for implementation from April 2020.

18. The risk associated with the cost of the HGV lorry parking scheme has been removed from the Financial Risk register. The scheme is now part of normal service delivery as it has been made permanent and enforcement built into the Civic Enforcement Officers regular rotas.

## **Compliance Risk**

19. There have been no key changes to the profiles of risks within the Compliance Risk Register since the last update to this Committee.

## **Conclusion**

20. Risk owners have reviewed and reassessed the risks and controls within their specific areas and are satisfied that this report and attached Appendix A represent an accurate picture of the current risks to the organisation.
21. The Corporate Risks Register will be presented again to the Audit Committee in six months time in accordance with the Risk Management Framework where a further update will be provided on current risks and notable changes to the Register.

## **Contact and Email**

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