

Agenda Item No: 4

Report To: Audit Committee

Date of Meeting: 19 March 2024

Report Title: Corporate Risk Register – update March 2024

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Portfolio Holder: Cllr. Hayward

Portfolio Holder for: Performance and Direction



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.

Recommendations: **The Audit Committee is recommended to consider the Corporate Risk Register:**

- a) **To agree the assessments and the adequacy of key controls to manage the risks.**
- b) **To determine if there are any specific risks that would benefit from a further report in order for the adequacy of the controls to be assessed.**

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: **None.**

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Report Title: Corporate Risk Management – update report March 2024

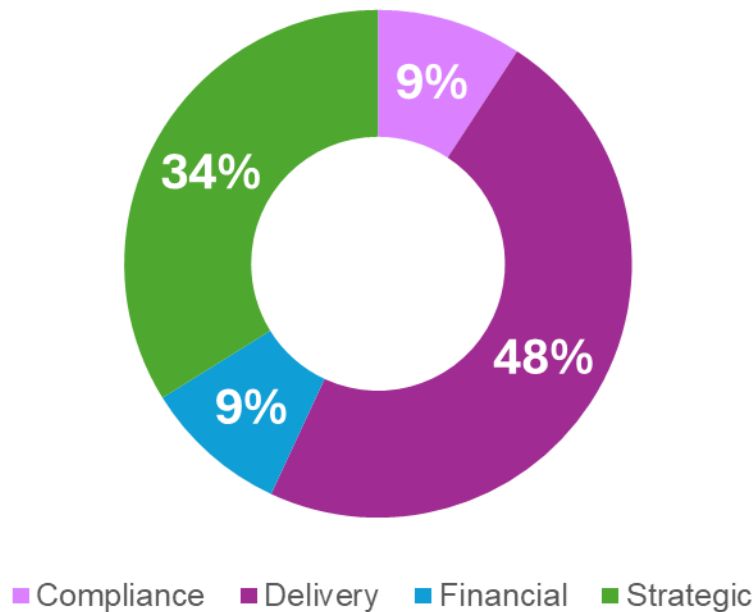
Introduction and Background

1. Twice a year, the Audit Committee considers the council's corporate risks and risks management controls. This report is an update report providing the latest information on the council's Corporate Risk Register. It also provides additional information on specific risks where this has been requested by the Committee.
2. The Corporate Risk Register is set out at Appendix A.

Proposal/Current Position

3. 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.
4. Operational 'delivery' risks are monitored regularly by individual services and the council's Management Team on an exception basis. Any delivery risks that become of strategic significance are also reported to this Committee. Examples of delivery risks include HR processes not being completed, non - delivery of planned maintenance contracts and contamination of recyclables.
5. There are currently **66** risks across the four risk types (strategic, delivery, financial, compliance). A percentage breakdown of each type of risk is provided on the opposite page:

Ashford Risk Share by Type

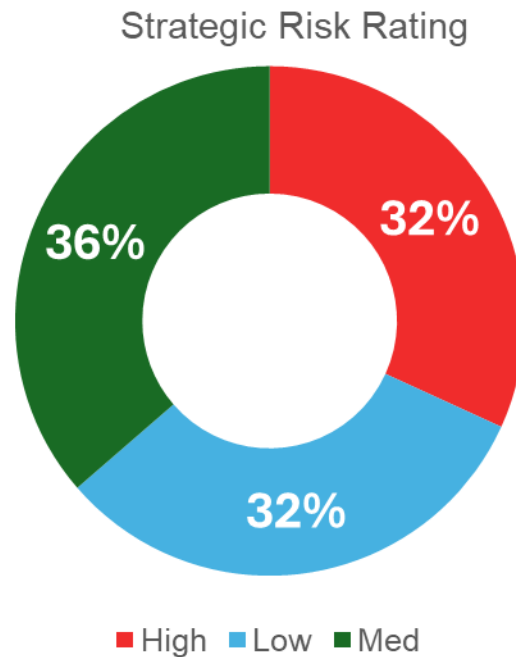


6. The Corporate Risk Register is linked to the risk appetite statement which is contained within the Risk Management Framework. The statement is designed to inform decision making about the amount of acceptable risk within which the council chooses to operate. Risks that fall outside of the council's 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 formed of those risks that are currently above the risk appetite levels set.
7. The risk appetite statement reflects the ambitions in the Corporate Plan 2022-2024 and was adopted together with it. The council's risk appetite is being re-evaluated as part of the development of the Corporate Plan. This ensures our appetite is fully aligned to our aims and objectives as well as external factors.
8. 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 them.
9. 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 explains those that have been managed down to a level where they no longer require reporting on.

Strategic Risks

10. There are currently **22** Strategic risks monitored of which seven feature on the Corporate Risk Register in line with the council's risk appetite statement. A

breakdown of the strategic risk ratings by percentage is provided in the pie chart set out below:



Key changes

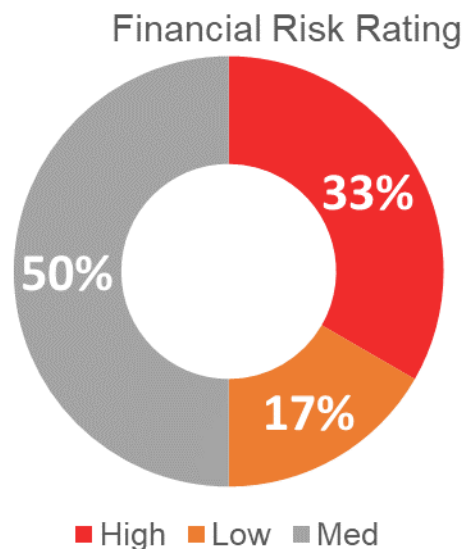
11. A new risk has been added to the Strategic Risk Register to recognise that Kent County Council's (KCC) budget pressures could impact local service delivery (CORP.24.POLPER.R004). KCC's Medium Term Financial Plan and 2024-25 budget set out the need to manage the challenge of significant spending demands and cost increases within the funding available. They are clear about difficult budget choices needing to be made and as they look to reduce costs combined with implementing efficiency and transformation savings, impacts could be felt on local services and initiatives. Reduced support from KCC could create additional pressures on the borough council to supplement provision. Less funding will also be available to support projects or community and voluntary sector organisations and initiatives. Other areas where we may feel additional pressure include and housing and waste. Given the borough council's own budget challenges it is not in a position to take on additional responsibilities or increase spending.
12. The risk of transport disruption in Ashford Town (CORP.22.LEGDEM.R004) is a long standing risk on the Strategic register. It is managed with through Operation Brock and the Kent Command and Control Structure. As it is within tolerated levels, it is not reported this time but with the EU Entry Exit System due to be implemented in Autumn 2024 will be kept closely under review. Increased times to process tourist traffic entering the port is anticipated to impact both general fluidity at the Port of Dover and also queuing outbound freight. Working with the Department for Transport, a number of task and

finish groups have been established on themes aimed at keeping traffic moving across the road networks.

13. An additional risk specifically relating to traffic disruption for the Border Control Post (CORP.22.SAFEWELL.R011) has also been introduced since the last update to this Committee. Again, the risk currently sits within tolerated levels and does not therefore feature on the exception register. As well as controls available through the normal Kent structure, mitigations are in place via the UK Government Imports and Exports System for inbound HGV traffic attending the Border Control Post.

Financial Risks

14. There are currently **six** financial risks monitored, all of which feature on the Corporate Risk Register in line with the council's risk appetite statement. A breakdown of the financial risk ratings by percentage is provided in the pie chart below:

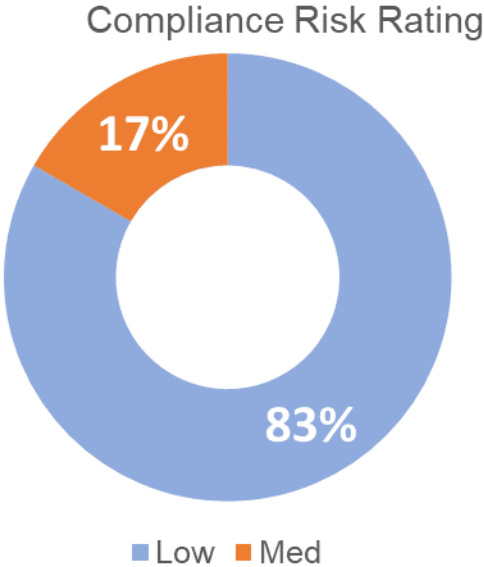


Key changes

15. The risk of the council not being able to meet the expected return on its commercial investments (CORP22.STRAT.R004) has been elevated to reflect that office space and retail continue to struggle. Whilst there is interest in a number of units at Elwick Place, there are challenges in securing long term commercial leases. The receipt of future Picturehouse rental income is also a specific known risk. Income on the industrial units is performing well and actions are in place but income will not be realised in a time period that will offset the known risks.

Compliance Risk

16. There are currently **seven** compliance risks monitored, all of which feature on the Corporate Risk Register in line with the council’s risk appetite statement. A breakdown of the compliance risk ratings by percentage is provided in the pie chart below:



17. **Key changes**

A new risk has been included on the register relating to the introduction of a Joint Complaint Handling Code by the Housing Ombudsman and Local Government and Social Care Ombudsman. The Code which was consulted upon in last quarter of 2023 seeks to standardise complaint handling and simplify arrangements for organisations that fall under the jurisdiction of both Ombudsmen (for example standardised complaint handling timescales). The purpose of the Code is to enable organisations to resolve complaints raised by individuals quickly, and to use the data and learning from complaints to drive service improvements. It is also intended to help to create a positive complaint handling culture amongst staff and individuals.

18. Following the consultation a key change to the implementation of the code is that whilst the Housing aspect is governed by regulation, the Local Government and Social Care code will be considered guidance. The Housing code has already been adopted and for Local Council’s it is expected for the code to be adopted as soon as possible. The Code will be considered as part of the Ombudsman processes formally from April 2026. Ashford Borough Council instigated a project team to oversee implementation of the Code at the earliest opportunity. Communication has taken place with managers on handling complaints and performance on complaint handling timescales will be monitored with increased frequency to ensure compliance with the Code.

19. Work has recently taken place to review a number of key risks on the Delivery Register for the council's Housing Service. These relate to the council's property management framework. A new regulatory approach is being introduced from April 2024 by the Regulator of Social Housing. In readiness, the council commissioned an independent, thorough assessment which highlighted some key areas where further work is required to provide the assurance and high standards required of the council as a landlord. It is suggested that risks and mitigations relating to the property management framework could be an area of focus when this committee next considers the Corporate Risk Register.

20.

Conclusion

21. 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.
22. Members of the Committee are asked to consider whether there are any specific risks or themes that would benefit from a further report back to a future meeting.
23. 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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