

**EXTRACT Corporate Risk Register – February 2023**

**Risk Scores**

Likelihood is scored on a scale of 1 to 5 with 5 being high. For a description of likelihood scores refer to Section 4, Risk Management Methodology, of the Risk Management Policy.

Impact is scored on a scale of 1 to 5 with 5 being high. For a description of impact scores refer to Section 4, Risk Management Methodology, of the Risk Management Policy.

To calculate the total score, multiply the likelihood score by the impact score and arrive at a total score. This is done twice, firstly to calculate an inherent risk score and secondly a residual risk score, after risk mitigations are applied.

A risk scoring above 15 is red, those between 6 to 14 are amber and those between 1 to 5 are green.

**One Coventry Enabler: Continued financial stability of the Council**

**Service Area: Cross-cutting**

No	Risk description	Impact	Inherent risk score	Measures to mitigate risk	Residual risk score	Risk owner
31	<b>A Council that makes thoughtful, well researched and robust business case backed commercial investments to derive additional sustainable income streams to the Council so that it has additional funds to provide services to residents, deliver policy priorities, and achieve its One Coventry</b>	Assists the Council to deliver services to residents.	Likelihood Score	Each of the investments have been undertaken following detailed due diligence, with any matters arising being activity managed post investment.	Likelihood Score	Managing Director CMH
5		The Council will be better able to navigate a deteriorating financial backdrop to local government funding caused by inflation and recession.	Impact Score	Ongoing investment decisions promoted by any of the companies are subject to further due diligence, risk assessment and a robust business case. Material aspects of these are supported with external advice, such as legal, technical, and financial / tax advice.	3	
4					Impact Score	
Total					2	

No	Risk description	Impact	Inherent risk score	Measures to mitigate risk	Residual risk score	Risk owner
	<p><b>Plan through being more financially robust.</b></p> <p>If the Council does not make well researched commercial investments, that are supported by sound business cases it will be financially weaker and consequently less able to deliver its One Coventry Plan priorities and provide services to vulnerable residents.</p>	<p><b>Tom White Investment:</b></p> <p>Assists the Council to achieve its One Coventry priority to tackle the causes and consequences of climate change, by significantly increasing commercial waste recycling rates, a reduction in the use of raw materials in UK industry, and the promotion of the circular economy. A reduction of waste sent abroad and to landfill.</p> <p>Reinvesting the profits for environmental and social purposes through the Council in support of the One Coventry Plan.</p> <p><b>Coombe Abbey Park investment:</b></p> <p>The use of Council assets is enhanced such as St Marys Guildhall and</p>	<p>Score 20</p>	<p>The Council has taken care to invest in a broad range of activities to protect against financial shocks to specific sectors.</p> <p>Suitably experienced or qualified Board Directors are in post in each of the company boards. They oversee the investment performance and ensure accountability for outcomes.</p> <p>Companies (and their Directors) are subject to the legally binding Group Governance Agreement. The Agreement sets out clearly the level of decisions that can be made within each company, what comes to the parent holding company (CMH) for decision, and what is reserved back to Shareholder Committee and/or Full Council.</p> <p>There is at least one Council Director on each company board, at least two Directors from Coventry Municipal Holdings (CMH) on each company board and regular reports to Shareholder Committee (a subcommittee of Cabinet).</p> <p>Each company prepares a robust annual business plan and financial budget that is approved by the Shareholder Committee for delivery.</p> <p>The company Board Directors review and challenge business performance each month against the</p>	<p>Score 6</p>	

No	Risk description	Impact	Inherent risk score	Measures to mitigate risk	Residual risk score	Risk owner
		<p>parks, resulting in a financial return on these assets, improved quality of life for residents and a significantly enhanced visitor experience.</p> <p><b>General Financial:</b></p> <p>The Council benefits from loans made to its wholly owned companies, on an entirely commercial basis.</p> <p>The Council receives rental income from property leased from the Council by the investment companies.</p> <p>The protection of rent payments made to the Council.</p> <p>The risk on loan repayments to subsidiary companies rests with the Council as shareholder.</p>		<p>business plan and financial budget, reporting any matters arising to the holding company board.</p> <p>The holding company (CMH) board reviews and challenges company performance every quarter. Shareholder Committee receive a formal Performance Report for the preceding year by October in each year, to advise formally on company performance following issuance of company accounts, and an informal report on year-to-date performance mid-year.</p> <p>The availability of appropriate information, the regularity of information review and challenge, the knowledge and experience of Board Directors, the breadth of reporting and clarity on decision making (contained within the Group Governance Agreement) means that financial performance of the investments is well understood, challenged, and supported to mitigate risks.</p> <p>Risks of companies not supporting the One Coventry Plan are mitigated through the annual business planning process, with Board Directors at each level and the Shareholder Committee ensuring that the plans support the Council's One Coventry Plan priorities, with sufficient engagement to allow these to be influenced, as necessary.</p>		