

Audit and Procurement Committee

30 September 2024

**Name of Cabinet Member:**

Cabinet Member for Policy and Leadership – Councillor G Duggins

**Director Approving Submission of the report:**

Director of Finance and Resources (Section 151 Officer)

**Ward(s) affected:**

City Wide

**Title:**

Corporate Risk

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**Is this a key decision?**

No

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**Executive Summary:**

The purpose of this report is to provide the Audit and Procurement Committee with the outcome of the latest review of the Corporate Risk Register 2024-25 in Appendix 1 to the report. This provides the Audit and Procurement Committee with an overview of the Council's corporate risk profile and the controls in place to address these risks.

**Recommendations:**

The Audit and Procurement Committee are requested to:

- 1) Note the current Corporate Risk Register, indicating that they have satisfied themselves that corporate risks are being identified and managed.
- 2) Identify any areas where they require additional information (if any).
- 3) Approve the bringing of a further risk management report to the Audit and Procurement Committee in March 2025.

**List of Appendices included:**

Appendix 1 – Corporate Risk Register

**Background papers:**

None

**Other useful documents:**

None

**Has it been or will it be considered by Scrutiny?**

No

**Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?**

No

**Will this report go to Council?**

No

## **Report title: Corporate Risk**

### **1. Context (or background)**

- 1.1 The Audit and Procurement Committee's Terms of Reference requires the Committee to monitor the effective development and operation of risk management within the Council. It was agreed on 18 March 2024 that the Audit and Procurement Committee would receive the Corporate Risk Register twice a year in line with the Grant Thornton value for money report.
- 1.2 The Corporate Risk Register should identify the risks that threaten the successful implementation of the One Coventry Plan.
- 1.3 This report provides the Audit and Procurement Committee with the outcome of the review of the Corporate Risk Register, which was received by Leadership Board on 18 June 2024 and, subsequently, the addition of one new risk.

### **2. Options considered and recommended proposal**

- 2.1 The Corporate Risk Register at Appendix 1 to the report has been reviewed in consultation with the Leadership Board and the allocated Risk Owner. It identifies the main risks facing the Council, the impact of the risk, the inherent risk score before risk mitigation, the risk mitigations, the risk score after the mitigations are applied and where responsibility lies for the Council's response. In addition, a further column has been added identifying what the risk score was when the Committee last received a report in March 2024.
- 2.2 The Corporate Risks and the control measures in place to address them are more fully described in Appendix 1 to the report. Audit and Procurement Committee are asked to review the register and satisfy themselves that the process is operating effectively within the Council as required under the Risk Management Policy.
- 2.3 There are changes to the Corporate Risk Register from the previous report to Members.

#### **Risks added:**

#### **Risk 37: Inadequate database systems in Regulatory Services. Page 51**

This is a new risk with a residual risk score of 16.

The risk description is that if following a data transfer to new products and packages, Regulatory Services has inadequate database systems, there is a risk that the Council's business will not be conducted efficiently. The impact would be statutory requirements not being met, inspections not being conducted, and complaints not being investigated.

The risk identifies mitigations for data recovery, data validation, data reconciliation and data quality assurance.

### **Risk 38: Impact of the Illegal Migration Act 2023 on Coventry. Page 54**

This is a new risk with a residual score of 6.

The risk is that if the Act is fully enacted there will be a fundamental change to the asylum system leaving many individuals uncertain of their status and facing the possibility of detention. This may lead to increased social tensions; undermine community cohesion, and exacerbate existing challenges related to homelessness, housing, healthcare, and social services.

#### **Risks removed:**

### **Risk 29 – The continued implementation of the Elections Act**

Following the delivery of the general election this risk has been removed.

#### **Risks where the residual risk score has decreased.**

### **Risk 36: Managing any loss of reputation and public trust. Page 50**

The inherent risk score has reduced from 15 to 12 with the residual risk score remaining at 6.

Previously the risk description was linked to the ongoing financial challenges that the Council faces. This has been changed so that it now recognises that there are numerous issues, which if they happen, carry the risk of damaging the Council's reputation.

The risk mitigations are:

- The council has board-level representation for communications with experience of major incidents and reputational matters.
- A communications update is given to Leadership Board each week highlighting risks and mitigating actions.
- The Communications Department is responsible for managing situations and advising the services involved.

#### **Risks where the residual risk score has increased.**

### **Risk 22: Childrens Services workforce stability. Page 21**

The residual risk score has increased from 16 to 20. This is because other Councils have more generous retention offers which make it more difficult to retain staff.

The risk mitigations have been changed to bring the changes in the recruitment and retention offer up to date. The offer for grade 7 and grade 8 social workers was implemented on 1 April 2023 and a one-off retention payment made to social workers who remained in post for 12 months was paid in March 2024. Leaver data has indicated that the retention payments have made a positive impact on retention

rates, with a reduction in social workers leaving the service in 2023/24 compared to the previous year. However, the retention of experienced social workers (grade 8) has been highlighted as a new emerging risk for 2024/25 as retention payments cease, Grade 8 social workers have no replacement offer. Warwickshire County Council have launched a 2 year - £7,000 retention offer from April 2024, posing a risk for Coventry if experienced social workers leave.

In response to the risk of losing experienced grade 8 social workers, the service is considering a further retention offer to mitigate the risk of experienced social workers leaving.

Under the current Social Work Academy model, newly qualified social workers, after 2 years of service and their Assessed and Supported Year in Employment, can go through a panel progression to become a grade 7. Data is showing that this progression approach means they are paid less in their first years compared with those who train through other Councils. In response to this risk and to prevent them leaving within their first two years, the service is considering several mitigations.

### **Main changes to other risks**

#### **Risk 1: Inability to deliver a balanced budget in the short and medium term. Page 1**

The risk mitigations have been amended to note that work has begun to monitor the implementation and delivery of the budgetary savings identified in the 2024/25 budget setting report.

#### **Risk 6 - Supporting people who may require services from Adult Social Care to remain safe. Page 10**

The risk mitigations have been changed to note that some Section 42 enquiries may not be allocated immediately but that this is based on risk. Also, the Council has a greater proportion of newly qualified staff requiring a higher level of management oversight.

#### **Risk 19: An increase in families in temporary accommodation and street homelessness. Page 15**

The risk description notes that there is a limited volume of social housing, particularly family housing and with private sector rents remaining high this means that people may remain in temporary accommodation for, in some cases, several years.

The impact notes that the number of households approaching as homeless and those placed into temporary accommodation is continuing to increase in 2024.

The risk mitigations highlight that:

- The additional funding for rough sleeping from the Department for Levelling Up, Housing and Communities is short term to 31 March 2025 and some staff are already seeking other employment due to the impending end date of funding.
- Refurbishment is underway and approval has also been received for a further two units for single homeless people.
- The Council will maximise the opportunity presented by the Local Authority Housing Fund Round 3 to acquire additional stock.
- The increase in Local Housing Allowance rates from April 2024 is having limited impact.

**Risk 21 - Increasing the economic prosperity of the city and region. Page 17**

The risk impact has been amended to reflect the weakened desire of businesses to recruit new staff.

The risk mitigations include the investment in the Cultural Gateway and the new Business Growth WM in Coventry offer. This has seen strong demand since its launch in September 2023 and the Council has exceeded its Business Assist target for 2023/24,

**Risk 28 - A deterioration in industrial/employee relations affects the Council's ability to deliver vital services. Page 33**

The risk mitigations note that where disputes occur the use of ACAS is an option open to both parties.

**Risk 30 – Building community cohesion. Page 34**

The risk mitigations have been changed to note the importance of access to good quality affordable housing because it fosters cohesive neighbourhoods. The Council collaborates with Registered Providers and other organisations and landlords in the city to ensure that there are appropriate levels of accommodation built in the city to meet the needs of residents.

**Risk 32: A workforce that is healthy and safe. Page 41**

The risk mitigations note the introduction of a new recording system for incidents, accident and near misses - IAN.

**Risk 33: Equal pay claims and the impact on budgets and the delivery of services.**

The number of equal pay claims has risen from approximately 180 to 500. The consultation with both Trades Unions and employees has been completed. This will address the potential underlying practice which has created the potential inequality.

### **Risk 34: Successful investments in companies. Page 44**

The risk mitigations note that in November 2023, the external auditors Value for Money report on company governance maintained that the structures for the companies in the scope of the audit were appropriate and would enable the Council to have oversight of its companies and investments. They have suggested that the Council seeks an independent assurance review once the arrangements are embedded. This review is now planned for this Summer rather than Spring 2024.

### **Existing risks with no changes or only minor changes**

The following risks are the same or substantially the same.

Risk 3: ICT & Digital services and their contribution to the delivery of One Coventry Priorities.

Risk 5 - A workforce that delivers the Council's priorities.

Risk 7: Childrens Services statutory safeguarding responsibilities.

Risk 24 – Tackling the causes and consequences of climate change and promoting sustainability.

Risk 25 – Education and the link to inequalities.

Risk 26 - Increases in demand for specialist school placements for children with an Education Health and Care Plan.

Risk 27 - Reducing health inequalities.

Risk 31 - A Council that makes thoughtful, well researched and robust business case backed commercial investments.

Risk 35: The threat of Cyber-attack to the delivery of One Coventry priorities.

- 2.4 It is proposed that the Corporate Risk Register be reviewed by the Audit and Procurement Committee next in March 2025.

### **3. Results of consultation undertaken**

None

### **4. Timetable for implementing this decision**

There is no implementation timetable as this is a monitoring report.

### **5. Comments from the Director of Finance and Resources (Section 151 Officer) and the Director of Law and Governance**

## 5.1 Financial implications

There are no financial implications directly associated with the Corporate Risk Register although the management of the risks is essential to the operation of the Council, the pursuit of its priorities and its financial integrity.

## 5.2 Legal implications

The maintenance and review of the Corporate Risk Register ensures that the Council meets its statutory obligation under the Accounts and Audit Regulations 2015 to have appropriate measures in place to ensure that risk is appropriately managed.

## 6. Other implications

### 6.1 How will this contribute to achievement of the Council's plan?

(<https://www.coventry.gov.uk/strategies-plans-policies/one-coventry-plan>)

Effective risk management arrangements are an integral component of strategic decision making, service planning and delivery and increasing the likelihood of achieving corporate priorities.

### 6.2 How is risk being managed?

The Council has a policy to support risk management arrangements across the organisation as part of its overarching governance processes. This report forms part of that practice.

### 6.3 What is the impact on the organisation?

Effective risk management arrangements are part of the good governance arrangements which lead to improved decision making and operational practices across the organisation.

### 6.4 Equalities / EIA

None

### 6.5 Implications for (or impact on) climate change and the environment

The Corporate Risk Register outlines the risk as the Council tackles the causes and consequences of climate change and promotes sustainability.

### 6.6 Implications for partner organisations?

None



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