# AUDIT and GOVERNANCE COMMITTEE
# June 2025
# RISK MANAGEMENT OVERVIEW

## Report by Lorna Baxter, Executive Director Resources and Section 151 Officer

## RECOMMENDATION

1. The Committee is RECOMMENDED to

• To note the Risk Management Update

## Executive Summary

2. This report sets out updates to Risk Management and an overview of the latest strategic risk register which contains the Council's most significant risks. The strategic risk register is proactively managed by the Senior Leadership Team and reported into the Strategic Leadership Board as part of the Council's Business Management and Monitoring Reports. These combined reports contain performance, risk, and finance progress updates against the delivery of the current strategic plan priorities.

## Introduction

3. The Oxfordshire County Council Risk Management policy is the overarching framework of the strategic and operational risk management process across the council. The policy is reviewed and updated on an annual basis. This annual review ensures the policy is linked to the budget and business planning process, the strategic plan and captures any external influence that may impact on the risk management process. The policy will be submitted for review and approval in July 2025.

4. The current 2022 – 2025 Strategic Plan includes nine priorities, leading positive change by working in partnership to make Oxfordshire a greener, fairer and healthier county.

5. The Performance and Insight (P&I) team are responsible for the management and reporting of strategic risks and continue to work with services to assess training needs and further embed the risk management process across the organisation.

## Key updates

6. During March and April 2025 Strategic risk owners and managers have reviewed their respective strategic risk templates and updated and closed or added in additional controls where appropriate. This review has also identified additional strategic risks of SR12 Local Government Reform and SR11 Section106. SR3 HIF1 / HIF 2 has been de-escalated to programme level, and a revised SR3 Housing Infrastructure risk added to the strategic risk register. SR6 Oxfordshire Core schemes has been de-escalated to programme level

SR8 Policy and budget has been removed. This review has ensured that all risks contained on our strategic risk register remain relevant as a strategic risk.

7. The Strategic Leadership Team will participate in a workshop to review the revised strategic risk register on 25 June 2025. The workshop will also incorporate horizon scanning to ensure the strategic risk register references and contains all risks that require to be considered by OCC at a strategic level, as part of the 2025/26 business planning process.

8. The P&I have completed the risk health check and are working with Oxfordshire fire and rescue service colleagues and the DTFT network in seeking and identifying colleagues who are interested in risk or have an awareness or background in risk management, to cascade information and assist in further developing our policy and guidance to ensure all colleagues have the tools they need to ensure good risk management is in place.

9. The P&I team continue to support in raising risk awareness and effective risk management, through attendance at Directorate Leadership Team (DLT) meetings and through the review of our strategic risk templates and control actions, ensuring that all are aware of the need for constant revision of the effectiveness of controls and the addition of additional controls, as applicable.

10. The team continue to work closely with DLT's to discuss performance and risks and the proactive management of risk actions. Reporting of these areas has been made available in a performance and risk dashboard, also held on the performance system.
User guides and videos have been created and cascaded across the organisation to support colleagues in their reporting of performance and risk. Further training and support will be provided as the new system is embedded with colleagues and additional training needs are identified.

11. A standardised risk template has been developed, and a standardised risk matrix has been added to the intranet to support consistency in approach in the management of risk throughout the organisation, a key priority identified following the health check.
These templates and risk documentation will also be reviewed with our working group for clarity and ease of understanding as part of our continuous improvement following the health check.

12. The P&I team have embedded a new performance and strategic risk management system. Through supporting and training colleagues we have developed our risk management and are now able to review and update the effectiveness of controls, enabling clear evidence of closer risk management. Unfortunately work to incorporate Operational risk registers has not progressed as anticipated because of issues in linking the automation between OCC held information and the risk platform. It is envisaged this will be in place during Quarter 3.

13. The team are responsible for collating and reporting the Business Management and Monitoring report, which includes the three elements, performance, risk, and finance. Two colleagues within the P&I team are now qualified Management of risk practitioners and both continue to develop their understanding and knowledge through available resource.

**Strategic Risk Register**

14. The term "Strategic risk" refers to both strategic risks (risks to the Council's strategic objectives) and operational or programme/project risks which have been escalated due to the severity of their likelihood and/or impact. It does not necessarily include risks to the community, which are managed through the Community Risk Register, overseen by the Local Resilience Forum, (of which the Council is a member).

15. The strategic risk register records the risks identified as requiring the most senior management attention. The strategic risk register is reviewed monthly by the Strategic Leadership Team and will be reviewed quarterly by Informal Cabinet, Cabinet and is also an agenda item for chairs of scrutiny committees as part of the Business Management and Monitoring reporting.

16. The high-level overview of the strategic risks will be reported publicly as part of the Business Management and Monitoring Report (BMMR) pack which goes to Cabinet.

17. There are currently ten strategic risks listed below, this is included in the most recent Business Management and Monitoring Report at Cabinet 23 March 2025.

## 19. Strategic Risk Register overview – January 2025

The table below provides an overview of the current strategic risk position. Strategic risks are reviewed monthly as part of the Business management and monitoring process. Risks can be added and escalated at any time during the year.

| Risk name | Risk Description | Inherent Score | Previous Residual Risk Score | Current Residual Risk Score | Current Residual Risk Rating | Direction of Travel |
|---|---|---|---|---|---|---|
| 01. Financial resilience | The council is not financially sustainable in the immediate/medium term. | 25 | 12 | 12 | | → |
| 02. Cyber security | A successful and significant Cyber-attack leading to disruption, damage or compromise of any of the council's computer services, information systems, infrastructure or data. | 25 | 15 | 15 | | → |
| 03. HIF1 & HIF2 | HIF1 and HIF2 become undeliverable and/or potential financial risk to the council. | 16 | 12 | 12 | | → |
| 04. Managing Demand across Adults' and Children's Services | Fluctuating demand of community across Oxfordshire can result in varying requirements in resource. | 15 | 8 | 8 | | → |
| 05. Special Educational Needs and Disabilities | Local area SEND partnership inspection outcomes found widespread systemic failure. Delay for children having their SEND needs met. Reputational damage (locally, regionally, and nationally). | 20 | 12 | 12 | | → |
| 06. Oxford Core Schemes | Failure to deliver Oxford Core Schemes (Traffic Filters, Workplace Parking Levy, Zero Emissions Zone and associated city area schemes such as Low Traffic Neighbourhoods) with public support. | 20 | 16 | 16 | | → |
| 07. Strategic Workforce Planning | A risk that the county council's workforce does not have capacity, capability or resilience to deliver key functions, statutory services or transformational changes required to ensure the councils objectives and long-term priorities are met. Further, that the diversity of the workforce satisfies statutory requirements. | 16 | 12 | 12 | | → |
| 08. Policy & Budget | Inability to seek agreement in relation to the policy and budget framework from a minority administration. | 25 | 8 | 8 | | → |
| 09. Delivering the Future Together | Failure to deliver organisation wide transformation. | 25 | 8 | 8 | | → |
| 10. Climate Impact | Increasing vulnerability to climate impacts leads to failure of key infrastructure and services with a direct impact on health, safety, environment, and businesses. | 25 | 20 | 20 | | → |

*Table 1: Strategic Risk Overview for January 2025.*

## Corporate Policies and Priorities

20.     The risk management process links to all nine of the strategic priorities. All templates include the link to the strategic priorities to ensure risks are identified with any effect to priorities possibly not being delivered.

## Financial Implications

21.     There are no financial implications arising directly from this report

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## Legal Implications

22.      There are no significant legal implications from this paper

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## Risk Management

23.     There are no significant risk implications from this paper.

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