



## Decision Pathway – Report

**PURPOSE:** Non Key Decision

**MEETING:** Cabinet

**DATE:** 03 July 2018

<b>TITLE</b>	<b>Corporate Risk Management Report and Corporate Risk Register Report</b>		
<b>Ward(s)</b>	<b>City Wide</b>		
<b>Author:</b> Jan Cadby	<b>Job title:</b> Interim Risk Manager		
<b>Cabinet lead:</b> Councillor Cheney	<b>Executive Director lead:</b> Denise Murray		
<b>Proposal origin:</b> BCC Staff			
<b>Decision maker:</b> Cabinet Member			
<b>Decision forum:</b> Cabinet			
<p><b>Purpose of Report:</b> Managing risks are an integral element to the achievement of the Bristol City Council's (BCC) Corporate Strategic Plan (CSP) deliverables. The report provides an update on work completed to improve risk management at BCC and sets out the council's current significant risks and summarises progress in managing the risks up to Quarter 1 2018-19.</p> <p>The Corporate Risk Register (CRR) is a key document in the council's approach to the management of risk; it captures strategic risks set out in the Corporate Strategy 2018-2023 and Business Plan 2018-2019. It also provides a context through which Directorates construct their own high level risk assessments and is used to inform decision making about business planning, transformation and service delivery.</p> <p>The CRR provides assurance to management and Members that the Bristol City Council's significant risks have been identified and arrangements are in place to manage those risks within the tolerance levels agreed.</p> <p>The CRR attached to this report at Appendix A is the latest formal iteration following a review by members of the council's Corporate Leadership Board (CLB) in June 2018.</p>			
<p><b>Evidence Base:</b> The Accounts and Audit Regulations 2015 require the council to have in place effective arrangements for the management of risk. These arrangements are reviewed each year and reported as part of the Annual Governance Statement (AGS).</p> <p>Ensuring that the CRR is soundly based will help the council to ensure it is anticipating and managing key risks to optimise the achievement of the council's objectives and prioritise actions for managing those risks.</p> <p>The CRR is a management tool and needs regular review to ensure that the occurrence of obstacles or events that may put individual's safety at harm, impact upon service delivery and the council's reputation are minimised, opportunities are maximised and when risks happen, they are managed and communicated to minimise the impact.</p> <p>The Risk Management Policy (RMP) and the scoring criteria were revised. The policy will be subject to an annual review and reported on in 2018-19.</p>			
<b>Recommendations:</b>			
Cabinet are requested to receive and note the Corporate Risk Report.			
<b>Corporate Strategy alignment:</b> Managing risks are an integral element to the achievement of the BCC Corporate Strategic Plan (CSP) deliverables.			
<b>City Benefits:</b> Risk Management aims to maximise achievement of the council's aims and objectives.			

## Consultation Details:

### Risk Management Framework

Risk management is the culture, process and structures that are directed towards effective management of potential opportunities and threats to the council achieving its priorities and objectives and a key element of the council's governance framework.

The Annual Governance Statement (AGS) declaration for 2017-18 has highlighted a number of opportunities to enhance Risk Management. Areas for improvement include:

- Increasing the level of engagement and ownership by Service Managers.
- Enhancing the engagement of Members in the risk management process.
- Refreshing the Corporate and Directorate Risk Registers.
- Risk Management training and awareness.
- Risk Management within Business Case approvals, Project Management and Procurement Frameworks.
- Maintaining the focus of the process on reducing risk against the council's Corporate Plan 2018-23.

An interim Risk Manager has been sourced to further embed Risk Management principles and practices within the council.

### The Corporate Risk Register (CRR)

The Corporate Leadership Board (CLB) has reviewed the CRR in June 2018 and accepts it as a working register which will need continued improvement as it embeds.

The CRR sets out the significant critical and high rated risks. All other business risks reside on the Directorate Risk Registers.

The Corporate Risk Register (CRR) as June 2018 contains: No Critical risks, 12 high rated risks (pages 1 to 12), 5 medium risks (pages 13 and 17), and 1 high and 1 medium event risks (pages 18 to 19). A summary of the progress of risk for this reporting period is set out below.

There are seven improved risks this quarter:

- **CRR1 - Delivery of the long term commercial investments programme and major projects may require greater than anticipated capital investment:** which covers a number of commercial and asset investment requirements, and their potential impact on the council's finances, as identified in the budget report approved by Full Council in February 2018 improved from a 4x7 (28) critical risk to 3x7 (21) high risk. The Growth and Regeneration Board have reviewed the council's Capital Governance arrangements and established the Growth and Regeneration Board. The Board will provide oversight of delivery and management assurance to ensure ongoing improvement of the capital programme. This risk is managed and monitored on the Growth and Regeneration Risk Register.
- **CRR8 - Service Review:** If the organisation is not able to redesign its services quickly enough, a reduction in staffing levels and loss of experienced and skilled staff will have an impact on service delivery, and on remaining staff. This has improved from 4x5 (20) high risk to 3x5 (15) high risk. The senior management restructure is nearing completion and the external support from the Local Government Association (LGA) on the recruitment process has led to all roles being recruited against in the new leadership framework. This approach will be rolled out to the wider organisation as part of the performance and talent management refresh. There have been regular internal communications with staff, members and key stakeholders to keep everyone up to date with developments. The senior management restructures are scheduled for completion by end of July 2018. This risk is managed and monitored on the Resources Risk Register.
- **CRR12 - Civil Contingencies and Council Resilience:** If the City has a Major Incident, Contractor Failure or the council inadequately responds, then the impact of the event may be increased with a greater impact on people and businesses. This has improved from a 3x7 (21) high risk to 2x7 (14) high risk. Continual progress is being made on contingency plans, exercising working in partnership with the Avon and Somerset Local Resilience Forum (LRF) to enable Bristol to respond to significant events. This risk is managed and monitored on the Communities Risk Register.

- **CRR13 - Financial Framework & Medium Term Financial Planning:** Failure to reasonably estimate and agree the financial 'envelope' available, both annually and in the medium-term and the council is unable to set a balanced budget improved from 2x7 (14) high risk to 2x5 (10) medium risk. The council has developed a strong rolling Medium-term financial planning process and is working to ensure a rigorous structure exists to oversee the budgetary control process from budget setting through to monitoring, oversight & scrutiny. This risk is managed and monitored on the Resources Risk Register.
- **CRR14 - Information Governance - Introduction of the General Data Protection Regulations (GDPR):** The council has made significant progress on compliance with the General Data Protection Regulations (GDPR). The risk improved from 2x7 (14) high risk to 2x5 (10) medium risk. The next steps are to deliver a Business Case to the Statutory and Policy Board (SPB) in June 2018. This risk is managed and monitored on the Resources Risk Register.
- **CRR16 - Leadership:** If there is a lack of leadership or management skills then this could impact on performance and the ability to deliver positive change. The risk improved from 4x5 (20) high risk to 2x5 (10) medium risk. The council has made significant progress on the development of its leadership and management skills to help deliver positive change. This risk is managed and monitored on the Resources Risk Register.
- **CRR17- Strategy Management:** The council fails to produce or embed a Corporate Strategy with clear links through to business planning and performance management, resulting in less effective implementation of policy, use of resources and/or partnership working. The risk improved from 2x7(14) high to 1x7 (7) a medium risk. The council has made significant progress on the Strategy Management to help deliver BCC's Corporate Plan 2018-23. This risk is managed and monitored on the Resources Risk Register.

The following risks have been revised this quarter:

- Safeguarding Vulnerable Children and Vulnerable Adults has been split into two risks:
  - CRR9: Safeguarding Vulnerable Children.
  - CRR10: Safeguarding Vulnerable Adults.
- Business Continuity and Civil Contingencies has been split into two risks:
  - CRR5: Business Continuity and Council's Resilience.
  - CRR12: Civil Contingency and Council's Resilience.

The medium risks - Legal disputes and claims, self-insurance and the risk of claims to the council not being covered by the council's insurance policies; and Partnerships - in the current context of change, coupled with collective financial challenges, the effectiveness of partnership working may be jeopardised, previously reported in Q3. 2017/18 are managed and monitored on the Resources Directorate Risk Registers to manage and monitor.

All identified risks have been reviewed in light of the revised scoring and will set the performance for future reviews. All risks on the CRR have management actions in place. The CRR will be subject to a refresh during 2018.

The Audit Committee will receive and approve the Corporate Risk Report and the Corporate Risk Register Report in July 2018.

As with all risks, it is not possible to eliminate the potential of failure entirely without significant financial and social costs. The challenge is to make every reasonable effort to mitigate and manage risks effectively, and where failure occurs, to learn and improve.

Further details are contained in Appendix A: The summary of the risks are set out on pages 1 to 19 including controls and management actions, a summary of risk performance on page 20, the risk matrix on page 21 and the risk scoring criteria on page 22. A more in-depth risk register is available on request.

<b>Revenue Cost</b>	£0	<b>Source of Revenue Funding</b>	NA
<b>Capital Cost</b>	£0	<b>Source of Capital Funding</b>	NA
One off cost <input type="checkbox"/>		Ongoing cost <input type="checkbox"/>	Saving Proposal <input type="checkbox"/> Income generation proposal <input type="checkbox"/>

<b>Required information to be completed by Financial/Legal/IT/ HR partners:</b>	
<b>1. Finance Advice:</b> The CRR is a live document refreshed regularly following consultation across the organisation, and aims to provide assurance that the council's main risks have been identified and appropriate mitigations are in place to ensure they are managed within agreed tolerances. This includes, as set out in the annual budget report, measures to ensure appropriate financial provision is made through the budget planning process and reserves.	
<b>Finance Business Partner:</b> Chris Holme, Acting Director Finance. 25 <sup>th</sup> June 2018	
<b>2. Legal Advice:</b> There are no specific legal implications in the report. The CRR and report assists the council to monitor and ensure compliance with its Statutory and other duties.	
<b>Legal Team Leader:</b> Nancy Rollason, Head of Legal Service and Deputy Monitoring Officer 21 <sup>st</sup> June 2018	
<b>3. Implications on IT:</b> There are no direct IT implications in this initiative. Any actions to mitigate risks requiring IT input will follow standard change request processes.	
<b>IT Team Leader:</b> Ian Gale, Acting Head of IT. 9 <sup>th</sup> May 2018	
<b>4. HR Advice:</b> It is essential that staffing resources are appropriately deployed to manage these risks that are highlighted. There are no HR implications arising from the CRR update report.	
<b>HR Partner:</b> Mark Williams, Head of Human Resources. 20 <sup>th</sup> June 2018	

<b>EDM Sign-off</b>	Denise Murray	11 April 2018
<b>Cabinet Member sign-off</b>	Cllr. C. Cheney	18 June 2018
<b>CLB Sign-off</b>	Denise Murray	12 June 2018
<b>For Key Decisions - Mayor's Office sign-off</b>	Mayor's Office	4 June 2018
<b>Appendix A – Further essential background / detail on the proposal</b> Appendix A: The Corporate Risk Register Summary Report Pages (1 to19), the Corporate Risk Register Summary (page20), the Risk Rating Matrix and Scoring Criteria (pages 21 to 22)		<b>YES</b>
<b>Appendix B – Details of consultation carried out - internal and external</b>		<b>NO</b>
<b>Appendix C – Summary of any engagement with scrutiny</b>		<b>NO</b>
<b>Appendix D – Risk assessment</b>		<b>NO</b>
<b>Appendix E – Equalities screening / impact assessment of proposal</b>		<b>NO</b>
<b>Appendix F – Eco-impact screening/ impact assessment of proposal</b>		<b>NO</b>
<b>Appendix G – Financial Advice</b>		<b>NO</b>
<b>Appendix H – Legal Advice</b>		<b>NO</b>
<b>Appendix I – Combined Background papers</b>		<b>NONE</b>
<b>Appendix J – Exempt Information</b>		<b>NO</b>
<b>Appendix K – HR advice</b>		<b>NO</b>
<b>Appendix L – IT</b>		<b>NO</b>