

Decision Pathway – Report

PURPOSE: For reference

MEETING: Cabinet

DATE: 22 January 2019

TITLE	Corporate Risk Management Report and Corporate Risk Register (CRR) Report		
Ward(s)	City Wide		
Author: Jan Cadby	Job title: Risk and Insurance Manager		
Cabinet lead: Councillor Cheney	Executive Director lead: Mike Jackson / Denise Murray		
Proposal origin: BCC Staff			
Decision maker: Cabinet Member Decision forum: Cabinet			
<p>Purpose of Report: Managing risks are an integral element to the achievement of the Bristol City Council's (BCC) Corporate Strategy (CS) 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 as at Quarter 3 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 Bristol City Council's significant risks have been identified and arrangements are in place to manage those risks within the tolerance levels agreed. It should be noted that 'risk' by definition includes both threats and opportunities, which is reflected in the CRR.</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) on 4th December 2018.</p>			
<p>Evidence Base: 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 will be subject to an annual review and reported in 2018-19.</p>			
Cabinet Member / Officer Recommendations: Cabinet are requested to receive and note the Corporate Risk Report.			
Corporate Strategy alignment: Managing risks are an integral element to the achievement of the BCC Corporate Strategy (CS) deliverables.			
City Benefits: 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 structure 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.

During the last quarter we have been increasing the level of engagement and ownership by Service Managers through a series of risk management awareness sessions and workshops to review existing risks and identify new and to refresh the Corporate and Directorate Risk Registers Reports maintaining the focus to help reduce the risk against the council's Corporate Plan objectives 2018-23.

The Corporate Risk Register (CRR)

The Corporate Leadership Board (CLB) has reviewed the CRR in December 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 both threats and opportunities. All other business risks reside on the Directorate Risk Reports and Service Risk Registers.

During Q4 2018/19 there has been one significant issue to report:

- The External Auditors were unable to sign off the Council's Annual Statement of Accounts for 2017/18 within the revised statutory deadline of 31st July 2018. Officers continue to work closely with the auditors to ensure speedy resolution of all outstanding matters to enable publication of audited accounts as soon as possible. This reputational risk has been escalated for 2019, with early ongoing engagement with the new external auditors, and improvements to pre-audit planning arrangements are in progress to mitigate the risk.

The Corporate Risk Report (CRR) as December 2018 contains:

Threats	Opportunities	External / Contingency Risks
<ul style="list-style-type: none">• No critical threats• 17 high rated• 6 medium• 4 new• 3 improving• 2 deteriorating• 2 closed	<ul style="list-style-type: none">• 1 significant opportunity• 2 high• 1 medium• 2 improving	<ul style="list-style-type: none">• 2 high threats• 1 deteriorating

A summary of the progress of new and closed risks for this reporting period are set out below.

There are four new threat risks this quarter:

- **CRR23 – Better Lives Programme** – The risk of failing to deliver the required outcome and savings from the Better Lives Programme. The risk rating being 2x7 (14) high risk. This risk is managed and monitored on the Adults, Children and Education Risk Register.
- **CRR23 – Procurement and contract Management Compliance.** Failure in the awarding and management of contracts with key suppliers of the Council leads to poor service performance and increased costs. The risk rating being 3x5 (15) high risk. This risk is managed and monitored on the Resources Risk Register.
- **CRR24: Suitability of Line of Business (LOB) systems:** The Councils reliance on legacy systems. The risk rating being 3x5 (15) high risk. This risk is managed and monitored on the Resources Risk Register.
- **CRR26 – ICT Resilience:** The Councils ability to deliver critical and key services in the event of ICT outages, and be able to recover in the event of system and/or data loss. The risk rating being 3x7 (21) high risk. This risk is managed and monitored on the Resources Risk Register.

There are three improving threat risks:

- **CRR5: Business Continuity and Councils Service Resilience.** If the council has a Business Continuity disruption and is unable to ensure the resilience of key BCC operations and business activities, then the impact of the event maybe increased with a greater impact on people and council Services. The risk rating being 3x5 (15) high risk. This risk is managed and monitored on the Resources Risk Register.
- **CRR8 - Service Review.** The risk that the organisation is not able to redesign its leadership team quickly enough, which may result in a reduction in staffing levels. The loss of experienced and skilled staff will have an impact on service delivery, and on remaining staff. The risk rating being 2x5 (10) medium risk. This risk is managed and monitored on the Resources Risk Register.
- **CRR15: Financial Deficit.** The council's financial position goes into significant deficit in the current year resulting in reserves (actual or projected) being less than the minimum specified by the council's reserves policy. The risk rating being 1x5 (5) medium risk. This risk is managed and monitored on the Resources Risk Register.

There are two improving opportunity risks:

- **OPP1 – One City:** The One City Approach will offer a new way to plan strategically with partners as part of a wider city system. The risk rating being 4x5 (20) high risk. This risk is managed and monitored on the Resources Risk Register.
- **OPP2 – Corporate Strategy:** The approved Corporate Strategy presents an opportunity to fundamentally refresh and strengthen our business planning, leadership and performance frameworks. The risk rating being 4x7 (28) Significant risk. This risk is managed and monitored on the Resources Risk Register.

There is two closed risks:

- **CRR2: IT Infrastructure:** IT Infrastructure does not meet service delivery requirements then there could be serious implications for the organisation and the people it serves. The risk has been replaced with 2 new risks CRR25: Suitability of Line of Business (LOB) systems and CRR26 ICT Resilience.
- **CRR20: Housing IT Programme 2018:** There is a risk that the Housing IT programme could be further delayed beyond the current go-live date of the September 2018. The risk rating improved to a 2x5 (10) medium risk. This risk is managed and monitored on the Growth and Regeneration Risk Register.

There are two deteriorating threat risks :

- **CRR7: Cyber-Security:** The Council's risk level in regards to Cyber-security is higher than should be expected. The risk rating being 3x7 (21) high risk. This risk is managed and monitored on the Resources Risk Register.
- **CRR21 – Information Governance:** If the Council fails to maintain a defensible and compliant response to the Data Protection Act 2018 and General Data Protection Regulation (GDPR) then it will fail to fully comply with its statutory requirements. The risk rating being 3x5 (15) high risk. This risk is managed and monitored on the Resources Risk Register.

There is one deteriorating external risk :

- **BCCC2 – Brexit:** The risk that Brexit (and any resulting 'deal' or 'no deal') will impact the local economy, local funding and delivery of council services, and that uncertainty around Brexit could impact our ability to accurately assess or plan for potential positive or negative outcomes. The risk rating being 4x5 (20) high risk. This risk is managed and monitored on the Resources Risk Register.

All risks on the CRR have management actions in place. The CRR continues to be subject to a refresh during 2019.

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 threat risks are set out on pages 1 to 23, opportunity risks pages 24 to 25, and external and civil contingency risks on page 26 and 27 all including controls and management actions. A summary of risk performance on pages 28 to 29 by level of risk, the risk matrix on page 30 and the risk scoring criteria on page 31. A more in-depth risk register is available on request.

Revenue Cost	£0	Source of Revenue Funding	NA
Capital Cost	£0	Source of Capital Funding	NA
One off cost <input type="checkbox"/>	Ongoing cost <input type="checkbox"/>	Saving Proposal <input type="checkbox"/>	Income generation proposal <input type="checkbox"/>
Required information to be completed by Financial/Legal/IT/ HR partners:			
1. Finance Advice: 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.			
Finance Business Partner: Chris Holme, Interim Service Manager Corporate Finance. 21 st November 2018.			
2. Legal Advice: There are no specific legal implications in the report. The Corporate risk register and report assists the council to monitor and ensure good governance and compliance with its Statutory duties.			
Legal Team Leader: Nancy Rollason, Head of Legal Service and Deputy Monitoring Officer. 21 st November 2018.			
3. Implications on IT: The production of this report, in itself, carries no direct IT implications. Clearly, there are IT implications identified within it and these are being addressed in line with the comments contained in the relevant sections.			
IT Team Leader: Ian Gale, Acting Head of IT. 21 st November 2018.			
4. HR Advice: 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.			
HR Partner: Mark Williams, Head of Human Resources. 21 st November 2018.			
EDM Sign-off	Denise Murray	11 November 2018	
Cabinet Member sign-off	Cllr. C. Cheney	26 November 2018	
CLB Sign-off	Denise Murray	4 December 2018	
For Key Decisions - Mayor's Office sign-off	Mayor's Office	21 December 2018	
Appendix A – Further essential background / detail on the proposal Appendix A: The Corporate Risk Register Summary Report Pages (1 to27), the Performance Risk Summary (page 28 to 29), the Risk Rating Matrix and Scoring Criteria (pages 30 to 31).			YES
Appendix B – Details of consultation carried out - internal and external			NO
Appendix C – Summary of any engagement with scrutiny			NO
Appendix D – Risk assessment			NO
Appendix E – Equalities screening / impact assessment of proposal			NO
Appendix F – Eco-impact screening/ impact assessment of proposal			NO
Appendix G – Financial Advice			NO
Appendix H – Legal Advice			NO
Appendix I – Combined Background papers			NONE
Appendix J – Exempt Information			NO
Appendix K – HR advice			NO
Appendix L – IT			NO