**Q4 Corporate Risk Report
and Annual Update.**

The Q4 2018/19 Corporate Risk Report (CRR)

The Corporate Leadership Board (CLB) reviewed the CRR in March 2019 and accepts it as working summary report of the critical and significant risks from the Service Risk Registers.

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.

The Corporate Risk Report (CRR) as March 2019 contains:

Threat Risks	Opportunity Risks	External / Contingency Risks
• No critical threats • 20 high rated • 4 medium • 2 new • 1 improving • 2 deteriorating • 1 closed	• 1 significant opportunity • 2 high • 1 medium • 0 new • 0 improving • 0 deteriorating • 0 closed	• 0 critical threats • 2 high threats • 1 medium • 0 new • 0 improving • 0 deteriorating • 0 closed

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

There are two new threat risks this quarter:

- **CRR27 - Capital Transport Programme Delivery.** Management of the overall transport capital programme is key to ensuring we deliver against mayoral priorities in the most cost and time efficient way possible. Failure to do so negatively impacts the council's reputation and finances and makes the council less likely to reduce congestion, air pollution and inequality. The risk rating being 3x7(21) high risk. This risk is managed and monitored within the Growth and Regeneration Service Risk Registers.

- **CRR28: Instability of Housing's new IT -** The stability and efficiency of the Housing IT systems present a current and future risk to effective service delivery and performance, tenant satisfaction and trust, and corporate reputation**.** (The risk replaces the Housing IT CRR20). The stability and efficiency of the Housing IT systems present a current and future risk to effective service delivery and performance, tenant satisfaction and trust. The risk rating being 3x7(21) high risk. This risk is managed and monitored within the Growth and Regeneration Service Risk Registers.

There is one improving threat risk:

- **CRR22: Partnerships Governance -** If the council does not maximise (or cannot quantify) the benefits of partnership working and/or experiences negative or counter-productive results may arise from partnership working. The risk rating being 3x3 (9) medium risk. This risk is managed and monitored within the Resources Service Risk Registers.

There are two deteriorating threat risks :

- **CRR13: Financial Framework and MTFP -** Failure to be able 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. The risk rating being 3x3 (9) medium risk. This risk is managed and monitored within the Resources Service Risk Registers.

- **CRR18: Failure to deliver 2000 Homes per annum by 2020 -** The risk of failing to deliver the range of housing to meet Bristol's needs and not realise the ambition to deliver 2000 homes per annum by 2020 of which 800 are affordable.   The risk rating being 2x7 (14) high risk. This risk is managed and monitored within the Resources Service Risk Registers.

There is one closed risk:

- **CRR8: Service Review -** 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 within the Resources Service Risk Registers.

The risks CRR16 Leadership and CRR17 Strategy Management have consistently improved throughout the year and will be de-escalated within the Resources Service Risk Registers from Q1 2019/20.

The risk BCCC2/OPP4 Brexit is an unpredictable external threat and opportunity, and because of this the reporting for these entries may already be out of date. This is being managed within the Resources Service Risk Registers via a council-wide Brexit Project Board (for general preparedness) and Brexit Coordination Group (a tactical response group to manage any immediate issues presented in a 'no deal' scenario).

All risks on the CRR have management actions in place. The CRR will continue 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 D: 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 30 by level of risk, the risk matrix on page 31 and the risk scoring criteria on page 32. More detail is available on request.

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Risk Management Annual Update

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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. The Annual Governance Statement (AGS) declaration 2018 highlighted a number of opportunities to enhance Risk Management. Areas for improvement included:

- 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.

During 2018/19 activities to further improve the management of risk have included:

- A Risk and Insurance Manager has been employed to further embed Risk Management principles and practices within the council. Areas of focus have included:

  - The Risk Management Assurance Policy reviewed and refreshed with the addition of introducing the following:

    · Escalation of risks scoring 20 to 28 and core risks identified by the Leadership Team

onto the Corporate Risk Report.

- Introduction of the Corporate Risk Management Group (CRMG).
- Three lines of defence assurance model for the management of risk.
- Maturity of risk management and other relevant detail to enhance its robustness.

The policy has remained consistent in terms of its approach with the previous version and the risk appetite agreed by Cabinet in December 2017. Key areas of improvement have included.

- Increased levels of engagement and ownership by Service Managers through a series of risk management awareness sessions and workshops.
- Formation of a cross cutting forum - the Corporate Risk Management Group (CRMG).
- Risk management data centralised on SharePoint.
- Refreshed Corporate and Directorate Risk Reports with Service Risk Registers maintaining the focus to reduce the risk / take the opportunity on the council's Corporate Plan objectives 2018-23.
- Considered risks within the Service plans for 2019/20.
- Highways risk review workshop and ranking.
- Awareness sessions on managing insurance in major projects.
- Reviewed approach to Risk Improvement Actions.
- Review of the councils risk financing processes.

We continue to further embed and strengthen the risk management framework at Bristol City Council and we continue to improve the alignment of risk management practices across the council.

Conclusions

The risk management arrangements continue to embed with good levels of engagement from the Strategic, Extended and Directorate Leadership Teams. The scrutiny arrangements have become more embedded during 2018/19. It is felt that the Council is now well positioned to continue to develop/ formalise its risk management arrangements.