Decision Pathway Report

PURPOSE: For reference

MEETING: Cabinet

DATE: 02 June 2020

TITLE	Corporate Risk Management Report (CRR)	
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		
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 4 2019-20. The Q4 Corporate Risk Management Report will be presented to Cabinet in June 2020. The Corporate Risk Report (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. 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. 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. The CRR summary of risks is 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 May 2020.		
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). Ensuring that the Service Risk Registers (SRR), Directorate Risk Reports (DRR) and the Corporate Risk Reports (CRR) are 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. The registers and reports are a management tool. They need 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.		
Cabinet Member / Officer Recommendations: That Cabinet notes the report and progress on embedding Risk Management arrangements within the Council.		
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 by reducing the risks to those achievements and maximising possible opportunities that arise.		

Summary

Corporate Risk Report (CRR)- Summary of Corporate Risks:

Members of the EDMS reviewed the DRRs in April 2020 to form the CRR. CLB are asked to accept the attached CRR as a 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 Service Risk Registers and reported through the Directorate Risk Reports and the Corporate Risk Report.

The Corporate Risk Report (CRR) as April 2020 contains:

Threat Risks	Opportunity Risks	External / Contingency Risks
• 1 critical • 19 high • 5 medium • 0 low • 3 new risk • 1 improving • 6 deteriorating • 0 closed	• 1 significant • 2 high • 1 medium • 0 low • 0 new • 0 improving • 0 deteriorating • 0 closed	• 1 critical • 2 high • 0 medium • 0 low • 1 new • 0 improving • 1 deteriorating • 0 closed

A summary of risks (Threat and Opportunities) and issues for this reporting period are set out below.

There is one critical threat risk:

- CRR13: Financial Framework and MTFP. The risk rating being 4x7= (28) critical risk. Previously 2x5= (10) medium risk. This risk is managed and monitored within the Resources Service Risk Registers.

There are three new threat risks:

- CRR32: The supply of affordable housing not sufficient to meet community needs. The risk rating being 3x7(21) high risk. This risk is managed and monitored within the Growth and Regeneration Service Risk Registers.
- CRR31: Failure to deliver Mayor's Climate Emergency Action Plan and One City Climate Strategy. The risk rating being 4x5 (20) high risk. This risk is managed and monitored within the Growth and Regeneration Service Risk Registers.
- CRR33: Failure to Deliver Joint Spatial Plan (JSP). The risk rating being 4x5 (20) high risk. This risk is managed and monitored within the Growth and Regeneration Service Risk Registers.

There is one improving threat risk:

- CRR30: Failure to deliver Bristol City Council's wider Clean Air Plan. Communication/engagement with stakeholders does not result in sufficient behavioural change (excluding traffic clean air zone). The risk rating being 2x3 (6) medium risk. Previously 2x5= (10) medium risk. This risk is managed and monitored within the Growth and Regeneration Service Risk Registers.

Six deteriorating threat risks:

- CRR1: Long Term Commercial Investments and Major projects Capital Investment. The risk rating being 3X7=(21) high risk. Previously 2x7= (14) medium risk. This risk is managed and monitored within the Growth and Regeneration Service Risk Registers.
- CRR6: Fraud and Corruption. The risk rating being 4x5= (20) high risk. Previously 3x5= (15) high risk. This risk is managed and monitored within the Resources Service Risk Registers.
- CRR27: Capital Transport Programme Delivery. The risk rating being 4X5 (20) high risk. Previously 3x3= (9) medium risk. This risk is managed and monitored within the Growth and Regeneration Service Risk Registers.
- CRR18: The risk of failing to deliver the range of housing to meet Bristol's needs and not realise the ambition to deliver- 2000 homes, of which 800 are affordable, per annum by 2020. The risk rating being 3X5 (15) high risk. Previously 2x5= (10) medium risk. This risk is managed and monitored within the Growth and Regeneration Service Risk Registers.
- CRR15: Financial Deficit. The risk rating being 4x3= (12) medium risk. Previously 2x5= (10) medium risk.

This risk is managed and monitored within the Resources Service Risk Registers.
- CRR13: Financial Framework and MTFP is highlighted under the critical risk on page 2.

The risks 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. These risks are 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).

The external / contingency risk BCCC3: COVID -19 reflects the positive action and pace of change the Council has adapted to delivering its services. This risk is being overseen by the Corporate Leadership Team, Gold Meetings and within the Growth and Regeneration Director by the Resilience Director.

All risks on the CRR have management actions in place. The CRR will continue to be subject to a refresh during 2020.

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 16, opportunity risks pages 17 to 18, and external and civil contingency risks on page 19 and 20 all including controls and management actions. A summary of risk performance on pages 21 and 22 by level of risk, the risk matrix on page 23 and the risk scoring criteria on page 24. More detail is available on request.

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 2018-19 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 Reports.
- 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.

The risk management framework and process continues to be developed. During 2019/20 we have:

- Strengthened the capacity for risk management with appointments to the Risk and Insurance Team additional support.
- Created SharePoint sites for Service Risk Registers and Risk Reporting.
- Risk Management was integrated within Service Planning to aid decision making and to inform on the annual Budget Risk Register this will continue to be a focus for 2020/21 planning.
- Contributed to Corporate Induction.
- Ran workshops and drop in sessions.

Plans for 2020/21 include:

- Mandatory Risk Management E-Learning for key staff.
- Member training.
- Annual Risk Management Maturity Assessment.
- Review of Risk Management within Decision Making, Business Case approvals, Project Management and Procurement Frameworks.
- Directorate Risk Reports received by Scrutiny.
- Review and relaunch of the Corporate Risk Management Group (CRMG).
- Approach to management of risk reporting to CLB from the CRMG.
- Risk Management system mandate / business case.

Revenue Cost	£0	Source of Revenue Funding	N/A
Capital Cost	£0	Source of Capital Funding	N/A
One off cost ☐	Ongoing cost ☐	Saving Proposal ☐	Income generation proposal ☐

Required information to be completed by Financial/Legal/ICT/ 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: Michael Pilcher, Chief Accountant, Deputy Section 151 Officer 15th May 2020
2. Legal Advice: The CRR enables the council to monitor and manage identified risks and mitigations to ensure good governance and compliance with its statutory and other duties. Advice will be given separately in relation to any legal issues arising from the specific risks identified.
Legal Team Leader: Nancy Rollason, Head of Legal Service and Deputy Monitoring Officer 11th May 2020
3. Implications on IT: The CRR contains a number of references to IT as well as other areas of the Council. These IT elements are being managed and addressed as stated within the register and progress continues to be made. The accountable Directors for IT and Information Security Risks are continuing to work together developing a training plan and new processes to accelerate the necessary changes.
IT Team Leader: Simon Oliver, Digital Transformation Director 10th May 2020
4. HR Advice: It is essential that staffing resources are appropriately deployed to manage these risks that are highlighted and in particular the new and elevated risks that are identified in the report. The deployment of the new Risk Management E-Learning will be supported by the Learning and Development Team. There are no other HR implications arising from the CRR report.
HR Partner: Mark Williams, Head of Human Resources 12th May 2020

EDM Sign-off	Denise Murray	29th April 2020
Cabinet Member sign-off	Cllr. C. Cheney	11th May 2020
CLB Sign-off	Denise Murray	12th May 2020
For Key Decisions - Mayor's Office sign-off	Mayor's Office	4th May 2020

Appendix A – Further essential background / detail on the proposal: Q4 2019/20 Corporate Risk Report (CRR) - The Corporate Risk Summary Report sets out the risks on pages 1 to 20 including controls and management actions, a summary of risk performance on page 21 and 22, the risk matrix on page 23 and the risk scoring criteria on page 24.	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 – Exempt Information	NO
Appendix J – HR advice	NO
Appendix K – ICT	NO