

# Decision Pathway Report



**PURPOSE:** For reference

**MEETING:** Cabinet

**DATE:** 01 September 2020

<b>TITLE</b>	<b>Corporate Risk Management Report (CRR)</b>		
<b>Ward(s)</b>	<b>City Wide</b>		
<b>Author:</b> Jan Cadby	<b>Job title:</b> Risk and Insurance Manager		
<b>Cabinet lead:</b> Councillor Cheney	<b>Executive Director lead:</b> Mike Jackson / 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 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 1 2020-21. The Q1 Corporate Risk Management Report will be presented to Cabinet in September 2020.</p> <p>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.</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 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 July 2020.</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 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.</p> <p>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.</p>			
<b>Cabinet Member / Officer Recommendations:</b> That Cabinet notes the report and progress on embedding Risk Management arrangements within the Council.			
<b>Corporate Strategy alignment:</b> Managing risks are an integral element to the achievement of the BCC Corporate Strategy (CS) deliverables.			
<b>City Benefits:</b> 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 Executive Director Meetings (EDM) reviewed the Directorate Risk Reports (DRR) 15<sup>th</sup> July 2020 to form the CRR. Councillor Cheney was consulted on 20<sup>th</sup> July 2020. CLB were asked to accept the attached CRR as a working summary report of the critical and significant risks from the Service Risk Registers 21st July 2020. The report was received by the Mayor's Office 3<sup>rd</sup> August 2020.

The CRR sets out the critical, significant and high rated risks both threats and opportunities. All other business risks reside on the Service Risk Registers and reported through the DRRs.

The Corporate Risk Report (CRR) as end July 2020 contained:

Threat Risks	Opportunity Risks	External / Contingency Risks
<ul style="list-style-type: none"><li>• 2 critical</li><li>• 19 high</li><li>• 6 medium</li><li>• 1 low</li><li>• 5 new</li><li>• 4 improving</li><li>• 2 deteriorating</li><li>• 1 closed - redraft</li></ul>	<ul style="list-style-type: none"><li>• 1 significant</li><li>• 2 high</li><li>• 0 medium</li><li>• 1 low</li><li>• 0 new</li><li>• 0 improving</li><li>• 0 deteriorating</li><li>• 0 closed</li></ul>	<ul style="list-style-type: none"><li>• 1 critical</li><li>• 2 high</li><li>• 0 medium</li><li>• 0 low</li><li>• 0 new</li><li>• 0 improving</li><li>• 0 deteriorating</li><li>• 0 closed</li></ul>

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

A summary of risks for this reporting period are set out below.

There are two critical threat risks:

- CRR32: Failure to deliver enough affordable Homes to meet the City's needs. The risk rating being 4x7 (28). This risk is managed on the Growth and Regeneration Service Risk Registers.
- CRR13: Financial Framework and MTFP. The risk rating being 4x7 (28) critical risk. This risk is managed on the Resources Service Risk Registers.

There are five new threat risks:

- CRR35: Organisational Resilience. The risk rating being 3x7 (21) high risk. This risk is managed on the Resources Service Risk Registers.
- CRR37: Homelessness: The risk rating being 4x5 (20) high risk. This risk is managed on the Growth and Regeneration Service Risk Registers.
- CRR34: Corporate Equalities. The risk rating being 2x7 (14) high risk. This risk is managed on the Resources Service Risk Registers.
- CRR36: SEND. The risk rating being 2x5 (10) medium risk. This risk is managed on the People Service Risk Registers.
- CRR23: Adult and Social Care (ASC) Transformation programme 2020/21 - 2021/22 (Previously the Better Lives Programme). The risk rating being 2x5 (10) medium risk. This risk is managed on the People Service Risk Registers.

There are two deteriorating threat risks:

- CRR32: Failure to deliver enough affordable Homes to meet the City's needs. The risk rating being 4x7 (28) critical risk. This risk is managed on the Growth and Regeneration Service Risk Registers.

- CRR5: Business Continuity and Council Resilience. The risk rating being 2x7 (14) high risk. This risk is managed on the Growth and Regeneration Service Risk Registers.

There are four improving threat risks:

- CRR7: Cyber-Security. The risk rating being 4x5 (20) high risk. This risk is managed on the Resources Service Risk Registers.
- CRR31: Failure to deliver Mayor's Climate Emergency Action Plan and One City Climate Strategy. The risk rating being 2x7 (14) high risk. This risk is managed on the Growth and Regeneration Service Risk Registers.
- CRR24: Procurement and Contract Management -failure to deliver value for money. The risk rating being 2x5 (10) medium risk. This risk is managed on the Resources Service Risk Registers.
- 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 1x3 (3) low risk. This risk is managed on the Growth and Regeneration Service Risk Registers.

There is one closed realised risk CRR33: Failure to Deliver Joint Spatial Plan (JSP). The JSP is no longer proceeding and plans are progressing for a Mayoral Spatial Development Strategy.

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.

The summary of the threat risks are set out on pages 1 to 20 opportunity risks pages 21 to 22, and external and civil contingency risks on page 23 and 24 all including controls and management actions. A summary of risk performance on pages 25 and 26 by level of risk, the risk matrix on page 27 and the risk scoring criteria on page 28. 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 draft Annual Governance Statement (AGS) declaration for 2019-20 highlighted that Managers self- assurance identified inconsistency in completion of service risk registers and a need for risk management training. Additionally, an Internal Audit review of risk management arrangements identified improvements are required to plan activity that will further support embedding of arrangements and the need for greater alignment of risk with service planning. The Risk Management Audit was allocated a 'Limited Opinion' as at June 2020. Areas to improve include:

- Engagement with the timeliness, completion and accuracy of Service Risk Registers.
- Risk Management within Decision Making, Business Case approvals, Project Management and Procurement Frameworks.

The Annual Governance statement states: Managers self- assurance identified inconsistency in completion of service risk registers and a need for risk management training. Additionally, an Internal Audit review of risk management arrangements identified improvements are required to plan activity that will further support embedding of arrangements and the need for greater alignment of risk with service planning.

The risk management framework and process continues to be developed. During 2020/21 we have:

- Managed, maintained and communicated Risk Management on the SharePoint and Internal Communications.
- Offered workshops and drop in sessions.
- Review and relaunch of the Corporate Risk Management Board (CRMB).
- Supported Mangers for Covid 19 related queries.

Plans for 2020/21 include:

- Mandatory Risk Management ELearning for key staff.
- Annual Risk Management Maturity Assessment.
- Directorate Risk Reports received by Scrutiny.
- Approach to management of risk reporting to CLB from the CRMB.
- Risk Management system.
- Member training.

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

**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. The Council should ensure it has sufficient resource available to implement actions required to bring risks down to a tolerable level.

**Finance Business Partner:** Michael Pilcher, Chief Accountant, Deputy Section 151 Officer, 13 August 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 specific legal issues that may arise from the risks identified.

**Legal Team Leader:** Nancy Rollason, Head of Legal Service and Deputy Monitoring Officer, 7 August 2020.

**3. Implications on IT:** 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. As we continue to work through our legacy systems and processes, further risks with Applications and Data will surface which will need to be addressed by the relevant service areas – work continues to govern, allocate and mitigate these risks via formal ISO27001 framework.

**IT Team Leader:** Simon Oliver, Digital Transformation Director 7 August 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:** James Brereton, HR Advisor, HR and Workforce, 5 August 2020.

<b>Appendix A – Further essential background / detail on the proposal:</b> Q1 2020/21 Corporate Risk Report (CRR) - The Corporate Risk Summary Report sets out the risks on pages 1 to 24 including controls and management actions, a summary of risk performance on page 25 and 26, the risk matrix on page 27 and the risk scoring criteria on page 28.	<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 – Exempt Information</b>	<b>NO</b>
<b>Appendix J – HR advice</b>	<b>NO</b>
<b>Appendix K – ICT</b>	<b>NO</b>