

# Audit Committee

Monday 28<sup>th</sup> September 2020



## Report of: Director Finance, S151

**Title:** Q1 2020/10 Corporate Risk Report Update.

**Ward:** Citywide

**Officer Presenting Report:** Denise Murray – Director of Finance, S151

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## Recommendation

The Audit Committee review and comment the Q1 2020/21 Corporate Risk Report (CRR) Appendix A.

## Summary

Managing risks are an integral element to the achievement of the Bristol City Council's (BCC) Corporate Strategy (CS) deliverables. The Corporate Risk report 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 was presented to Cabinet in September 2020.

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.

## The significant issues in the report are:

- The CRR is an important tool in managing risk. It aims to provide an overview of the significant risks facing the council and how they are being managed. The CRR attached to this report at Appendix A and is the latest formal iteration following a review by members of the council's Corporate Leadership Board (CLB) in July 2020. The Q1 2020/21 risk review included managers from across the Council.



## 1 Policy

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). The Council is required to comment on the effectiveness of its arrangements in this regard. The statement must also identify any significant governance issues that may have resulted from failures in governance and risk management.

Risk Management is an integral part of good governance to which the Council is committed. Risk Management provides the framework and processes that enables the Council to manage uncertainty in a systematic way. As part of the Risk Management arrangements the Council reviews the Risk Management Assurance Policy on an annual basis.

It is considered good practice to regularly review and update the Risk Management Assurance Policy to ensure it strengthens the Council's approach to its risk management and assurance arrangements.

Ensuring that the Corporate Risk Report (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.

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.

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.

The CRR has been prepared and presented in line with the Risk Management Assurance Policy that was approved by Cabinet in January 2019.

The output from the CRR will annually contribute to the annual Audit Plan.

The progress on Risk Management Arrangements will be presented as a separate paper to be received by the Audit Committee in September 2020.

## 2 Consultation

**Internal** - First to fourth tier managers, Extended Leadership Team, Corporate Leadership Team, Cabinet Member, Finance, Governance and Performance.

**External** – None

## 3 Context

### 3.1 The Corporate Risk Register (CRR)

**3.1.1** The Corporate Leadership Board (CLB) reviewed the CRR in July 2020 and accepts it as a working summary report of the critical and significant risks from the Service Risk Registers which will need continued improvement as it embeds. The CRR was presented to Cabinet in September 2020.

The CRR (Appendix A) 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 in through the Directorate Risk Reports (DRR) and the CRR.

The CRR as June 2020 contained:

Threats	Opportunities	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 strategic risks (Threat and Opportunities) and issues 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 2020/21.

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 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.

#### **4 Proposal**

The Audit Committee review and comment upon the Corporate Risk Report (CRR) as a source of assurance the Bristol City Council's significant and critical risks have been identified and arrangements are in place to manage those risks within the tolerance levels agreed.

#### **5 Other Options Considered**

None necessary. Having robust risk management processes in place is a requirement of the City Council. The CRR has been developed in line with the Risk Management Assurance Policy.

#### **6 Risk Assessment**

The Risk Management Assurance Policy and the CRR will further develop risk management assessment within the City Council, and help the management of risk arrangements embed.

## 7 Public Sector Equality Duties

- 8a) Before making a decision, section 149 Equality Act 2010 requires that each decision-maker considers the need to promote equality for persons with the following “protected characteristics”: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. Each decision-maker must, therefore, have due regard to the need to:
- i) Eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Equality Act 2010.
  - ii) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to --
    - remove or minimise disadvantage suffered by persons who share a relevant protected characteristic;
    - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it (in relation to disabled people, this includes, in particular, steps to take account of disabled persons' disabilities);
    - encourage persons who share a protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
  - iii) Foster good relations between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to –
    - tackle prejudice; and
    - promote understanding.
- 8b) No equalities assessment necessary for this report.

## 8 Legal and Resource Implications

Legal - N/A

Financial - N/A

Land - N/A

Personnel - N/A

## 9 Appendices:

Appendix A - Corporate Risk Report. 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.

### LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

#### Background Papers:

Risk Management Assurance Policy.