

# Decision Pathway – Report



**PURPOSE:** For reference

**MEETING:** Cabinet

**DATE:** 22 June 2021

<b>TITLE</b>	<b>Corporate Risk Management Report (CRR)</b>		
<b>Ward(s)</b>	City Wide		
<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			
<b>Purpose of Report:</b>			
<ol style="list-style-type: none"> <li>1. 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 2020-21. The Q4 Corporate Risk Management Report will be presented to Cabinet in June 2021.</li> <li>2. 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, budget setting, transformation and service delivery.</li> <li>3. 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.</li> <li>4. 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 2021.</li> </ol>			
<b>Evidence Base:</b>			
<ol style="list-style-type: none"> <li>1. 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).</li> <li>2. 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.</li> <li>3. 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.</li> </ol>			
<b>Corporate Risk Report (CRR) - Summary of Corporate Risks:</b>			
<ol style="list-style-type: none"> <li>4. Members of the Executive Director Meetings (EDMs) reviewed the Directorate Risk Reports (DRR) in April 2021 to form the CRR. CLB were asked to accept the attached CRR in May 2021. The Mayor's Office was consulted in May 2021. 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.</li> </ol>			

5. The Q4 20-21 Corporate Risk Report (CRR) as at 31st March 2021 contained:

Threat Risks	Opportunity Risks	External / Contingency Risks
<ul style="list-style-type: none"> <li>• 3 critical</li> <li>• 17 high</li> <li>• 4 medium</li> <li>• 1 new</li> <li>• 4 improving</li> <li>• 2 deteriorating</li> <li>• 3 closed</li> </ul>	<ul style="list-style-type: none"> <li>• 0 significant</li> <li>• 3 high</li> <li>• 1 medium</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 new</li> <li>• 0 improving</li> <li>• 0 deteriorating</li> <li>• 0 closed</li> </ul>

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

7. There are three critical threat risks:

- CRR32: Failure to deliver enough affordable Homes to meet the City's needs. The risk rating being 4x7 (28) critical threat risk. This risk is managed on the Growth and Regeneration Service Risk Registers.
- CRR41: Growth and Regeneration (G&R) Portfolio of Capital Programmes and Project. Previously (Long Term Major Capital projects). The risk rating being 4x7 (28) critical threat risk. This risk is managed on the Growth and Regeneration Service Risk Registers.
- CRR42: Provision of leisure centres. The risk rating being 4x7 (28) critical threat risk. This risk is managed on the People Service Risk Registers.

8. There are four improving threat risks:

- CRR5: Business Continuity and Council Resilience. The risk rating being 3x5 (15) high threat risk. This risk is managed on the Growth and Regeneration Service Risk Registers.
- CRR9: Safeguarding Vulnerable Children. The risk rating being 3x7 (21) high threat risk. This risk is managed on the People Service Risk Registers.
- CRR12: Failure to deliver suitable emergency planning measures, respond to and manage emergency events when they occur. The risk rating being 3x5 (15) high threat risk. This risk is managed on the Growth and Regeneration Service Risk Registers.
- CRR15: In-Year Financial Deficit. The risk rating being 1x5 (5) medium threat risk. This risk is managed on the Resources Service Risk Registers.

9. There is one new risk:

- CRR42: Provision of leisure centres. The risk rating being 4x7 (28) critical threat risk. This risk is managed on the People Service Risk Registers.

10. There are two deteriorating Risk:

- CRR27: Capital Transport Programme Delivery. The risk rating being 3x5 (15) high threat risk. This risk is managed on the Growth and Regeneration Service Risk Registers.
- CRR40: Unplanned Investment in Subsidiary Companies. The risk rating being 3x5 (15) high threat risk. This risk is managed on the Resources Service Risk Registers.

11. There are 3 closed risks:

- CRR2: Failure to Manage Asbestos in housing properties. The risk rating being 3x3 (9) medium threat risk. This risk is managed on the Growth and Regeneration Service Risk Registers.
- CRR19: Tree Management. The risk rating being 3x5 (15) high threat risk. This risk is managed on the Growth and Regeneration Service Risk Registers.
- CRR21: General Data Protection (GDPR) Compliance. The risk rating being 2x5 (10) medium threat risk. This risk is managed on the Resources Service Risk Registers.

12. The closed risks will be managed and monitored on the Directorate Risk Reports through the Executive

Director Meetings.

13. 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 Board following the stand down of the Director Resilience.
14. All risks on the CRR have management actions in place.
15. 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.
16. Appendix 1 sets out the summary of the threat risks on pages 1 to 17 opportunity risks pages 18 to 19, external and civil contingency risks on page 20 to 22 including controls and management actions. A summary of risk performance on pages 23 and 24 by level of risk, the risk matrix on page 25 and the risk scoring criteria on page 26.

### **Risk Management Framework**

17. 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 2019/20 highlighted several opportunities to enhance Risk Management.
  - Increasing the level of engagement and ownership by Service Managers.
  - Enhancing the engagement of Members in the risk management process.
  - Engagement with the timeliness, completion, and accuracy of Service Risk Registers.
  - Accuracy of Corporate and Directorate Risk Reports.
  - Risk Management training and awareness.
  - Risk Management within Decision Making, 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.
18. The risk management framework and process continues to be developed. During 2020/21 we have:
  - Managed, maintained and communicated Risk Management on the Source and SharePoint and via Internal Manager Bulletins.
  - Quarterly Risk Reporting.
  - Procured Pentana Risk Management Database.
  - Workshops and system training in progress for the cleansing of Q1 21/22 risk data.
19. Upcoming plans for 2021 include:
  - Risk data migration to Pentana Risk System.
  - Mandatory Risk Management eLearning for key staff.
  - Annual Risk Management Maturity Assessment.
  - Approach to management of risk reporting to CLB.
  - Member training.
  - Review of the Risk Management Assurance Policy.
20. The Annual Governance Statement (AGS) declaration for 2020/21 opportunities to enhance Risk Management will be presented in the Q1 2021/22 Corporate Risk Report.

### **Cabinet Member / Officer Recommendations:**

That the 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.

<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.
<b>Background Documents:</b> n/a

<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 13th May 2021

**2. Legal Advice:** The Corporate Risk Register 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, 21st May 2021

**3. Implications on IT:** The Digital Transformation Team remain committed to undertaking the mitigation activities pertaining to the service risks. We are instigating additional dialogue around the Corporate approach to ‘roll-up’ risks such as Suitability of LOB systems, Cyber Security, and IT Resilience whereby ownership and mitigation activity should be led by the responsible service areas and reported individually. We are working with Risk colleagues to improve the alignment of different risk registers and approaches and gain a single view of risk within the new risk management software tool

**IT Team Leader:** Simon Oliver, Digital Transformation Director, 13th May 2021

**4. HR Advice:** It is essential that staffing resources are appropriately deployed to manage risks and bring them to a tolerable level and in particular the critical risks that are identified in the report. There are no other HR implications arising from the CRR report.

**HR Partner:** Mark Williams, Head of Human Resources, 21st May 2021.

<b>Appendix A – Further essential background / detail on the proposal</b>	<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>
<b>Appendix L – Procurement</b>	<b>NO</b>