Decision Pathway – Report

PURPOSE: For reference

MEETING: Cabinet

DATE: 14 September 2021

TITLE	Corporate Risk Management Report – Q1 2021/22	
Ward(s)	City wide	
Author: Michael Pilcher		**Job title: Chief Accountant**
Cabinet lead: Craig Cheney		**Executive Director lead: Mike Jackson**
Proposal origin: Other		
Decision maker: For noting **Decision forum:** For noting		
Purpose of Report: 1. The report provides an update current significant strategic risks to achieving the Council's objectives as set in the Corporate Strategy 2018-2023 and summarises progress in managing the risks and actions being taken as at Quarter 1 2021-22.		
Evidence Base: **Context** 1. 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. 2. 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. 3. 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. 4. 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. 5. The CRR summary of risks is attached to this report at Appendix A is the latest position following a review by managers and Directors. **Summary of Corporate Risks:** 6. CLB are asked to note the CRR as a working summary report of the critical and significant risks from the Service Risk Registers as at end of June 2021. 7. 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.

8. The Q1 21-22 Corporate Risk Report (CRR) as at 30 June 2021 contained:

Threat Risks	Opportunity Risks	External / Contingency Risks
• 3 critical • 18 high • 3 medium • 0 new • 1 improving • 3 deteriorating • 0 closed	• 0 significant • 3 high • 0 medium • 0 new • 0 improving • 1 deteriorating • 0 closed	• 1 critical • 1 high • 0 medium • 0 new • 0 improving • 0 deteriorating • 0 closed

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

10. There are three critical threat risks:

- CRR41: 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 Register.

- 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 Register.

- CRR9: Safeguarding Vulnerable Children. The risk rating being 4x7 (28) critical threat risk. This risk is managed on the People Service Risk Register.

11. There is one improving threat risks:

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

12. There are three deteriorating threat risks

- CRR40 Unplanned Investment in Subsidiary Companies. The risk rating being 3x5 (15) high threat risk. This risk is managed on the Resources Service Risk Register.

- CRR15 In-Year Financial Deficit. The risk rating being 3x5 (15) high threat risk. This risk is managed on the Resources Service Risk Register.

- CRR23 Adult and Social Care (ASC) Transformation Programme. The risk rating being 4x5 (20) high risk threat. This risk is managed on the People Service Risk Register.

13. It is proposed the external risk and opportunity relating to Brexit as closed as now reflected within individual risks across the Council's corporate risk register.

14. All risks on the CRR have management actions in place.

15. 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.

Risk Management Framework

16. 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 highlighted several 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.
- 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.

17. The risk management framework and process continues to be developed.

18. Upcoming plans for 2021/22 include: • Risk data migration Q1 2021/21 and roll out of new system   • eLearning will roll out on the new Learning and Development platform which will be mandatory for key staff.   • Annual Risk Management Maturity Assessment.   • Approach to management of risk reporting to CLB.   • Reviewing and updating the Risk Management Assurance Policy.

Cabinet Member / Officer Recommendations:
That CLB
  1. Notes the current strategic risks and mitigating actions being taken to reduce to within tolerance.

Corporate Strategy alignment:
Managing risks are an integral element to the achievement of the BCC Corporate Strategy 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.

Consultation Details: none

Background Documents:
https://democracy.bristol.gov.uk/documents/s28767/10 Appendix A - BD11378 - Risk Management Assurance Policy Jan 2019.pdf

Revenue Cost	£	**Source of Revenue Funding**	Insert specific service budget name
Capital Cost	£	**Source of Capital Funding**	e.g. grant/ prudential borrowing etc.
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.
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

2. Legal Advice: The Corporate Rick 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

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

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.

Version April 2021

HR Partner: Mark Williams, Head of Human Resources		
EDM Sign-off	Mike Jackson	06/09/2021
Cabinet Member sign-off	Cllr Craig Cheney	06/09/2021
For Key Decisions - Mayor's Office sign-off	n/a	

Appendix A – Further essential background / detail on the proposal	**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**
Appendix L – Procurement	**NO**