

Decision Pathway – Report



PURPOSE: For reference

MEETING: Cabinet Board

DATE: 10 May 2022

TITLE	Corporate Risk Management Report – Q4 2021/22		
Ward(s)	City wide		
Authors: Risk and Insurance Senior Officers	Job title: Risk and Insurance Senior Officers		
Cabinet lead: Councillor Cheney	Executive Director lead: Mike Jackson		
Proposal origin: BCC Staff			
Decision maker: For noting Decision forum: For noting			
Purpose of Report: <ol style="list-style-type: none">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 4 2021-22.			
Evidence Base: Context <ol style="list-style-type: none">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.			

Corporate Risk Report - Summary of Corporate Risks:

6. Cabinet are asked to note the CRR as a working summary report of the critical and significant risks from the Service Risk Registers as at March 2022.
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. Members of the EDM's reviewed the DRRs in March 2022 to form the CRR. Cabinet are asked to accept the attached CRR as a working summary report of the critical and significant risks from the Service Risk Registers.
9. The Q4 21-22 Corporate Risk Report (CRR) as at 11th March 2022 contained:

Threat Risks	Opportunity Risks	External / Contingency Risks
• 2 critical	• 0 significant	• 0 critical
• 20 high	• 2 high	• 2 high
• 2 medium	• 0 medium	• 0 medium
• 1 new	• 0 new	• 0 new
• 1 improving	• 1 improving	• 0 improving
• 2 deteriorating	• 0 deteriorating	• 0 deteriorating
• 1 de-escalating	• 0 de-escalating	• 0 de-escalating
• 0 closed	• 0 closed	• 0 closed

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

Threat Risks:

11. 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) critical threat risk. This risk is managed on the Growth and Regeneration Service Risk Register.
 - CRR46 - Increased costs and lack of availability of insurance cover for higher risk properties. The risk rating being 4&7 (28) critical threat risk. This risk is managed on the Resources Service Risk Register.
12. There is one new threat risks:
 - There is one new risk identified for Q4: CRR46 - Increased costs and lack of availability of insurance cover for higher risk properties which has a risk rating of 4&7 (28) critical threat risk. This is managed on the Resources Service Risk Register.
13. There is one improving threat risks:
 - CRR35 - Organisational Resilience. The risk rating reduced in Q4 from 4*7 (28) critical threat risk to 4x5 (21) high threat risk. This is managed on the Resources Service Risk Register.
14. There are two deteriorating threat risks:
 - CRR12 - Failure to deliver suitable emergency planning measures and respond to and manage emergency events when they occur. The risk rating has increased from of 3*5 (15) high threat risk to 3*7 (21) high threat risk. This is managed on the Growth and Regeneration Service Risk Register.
 - CRR26 – ICT Resilience. The risk scoring has increased from 2*5 (10) medium level risk to 2*7 (14) high Level Risk. This is managed on the Resources Service Risk Register.
15. There is one De-escalating Threat Risk:
 - 'CRR34 - Corporate Equalities' – for Q4 the risk rating is 1*5 = 5 and the tolerance score is 1*5 = 5. The risk rating is within the risk tolerance, reflecting the mitigations implemented, and as such it was agreed at CLB to de-escalate the risk from the CRR to be managed at the Resources Directorate Risk Report level.
16. There is one risk flagged for closing and incorporating into a separate CRR risk:
 - Consideration and agreement were given at CLB to combine the 'CRR35 - Organisational resilience' and 'CRR5 Business Continuity' risks into a single corporate risk entitled 'CRR5 - Organisational Resilience and Business Continuity' and closing the organisational resilience risk. This was recommended following a recent risk management audit due to the risks being very similar in nature and therefore better managed as a single risk with a variety of related sub risks. This will be reviewed in Q1 2022-2023.

Opportunity Risks

17. Improving Opportunity Risks:

- There is one improving opportunity risk: 'OPP2 – Corporate Strategy' which has increased in opportunity risk rating from 2*7 (14) high to 3*7 (21) high opportunity risk. This is managed on the Resources Service Risk Register.

18. The closed risks are now reflected within individual risks across the Council's Service Risk Registers.

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

20. 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.

Additional Information:

21. The reporting template has been amended for Q4. Internal Controls and Actions have been added to the CRR Appendix template, replacing the 'What we have done' and 'What we are doing' section – there is ongoing work to accurately capture and review these controls and actions over the next quarters. Actions will include a due date and progress status. In addition, a 'summary of progress' has been included to capture the quarterly update in the management of the Corporate risks.

22. The forming of a Corporate Risk Management Group has been agreed at Resources EDM in February 2022. The Terms of Reference have been drafted and an initial session will be launched for Q1 2022-2023.

23. An assessment of the Council's Risk Maturity, Risk Culture and Risk Appetite is underway which will feed into a review of the Council's Risk Assurance Policy and Framework.

Cabinet Member / Officer Recommendations:

That Cabinet

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 <input type="checkbox"/>	Ongoing cost <input type="checkbox"/>	Saving Proposal <input type="checkbox"/>	Income generation proposal <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 01/04/2022

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 01/04/2022		
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: Gavin Arbuckle, Head of Service Improvement and Performance 01/04/2022		
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 01/04/2022		
EDM Sign-off	Resources EDM	30/03/2022
Cabinet Member sign-off	Cllr Cheney, Deputy Mayor and Cabinet member for City Economy, Finance and Performance	11/04/2022
For Key Decisions - Mayor's Office sign-off	N/A – information report for noting	

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