

## READING BOROUGH COUNCIL

TO:	AUDIT AND GOVERNANCE COMMITTEE		
DATE:	22nd September 2022		
TITLE:	STRATEGIC RISK REGISTER Q1 & Q2 2022/23		
LEAD COUNCILLOR:	COUNCILLOR LIZ TERRY	PORTFOLIO:	CORPORATE SERVICES AND RESOURCES
SERVICE:	CORPORATE HEALTH & SAFETY & RISK MANAGEMENT	WARDS:	N/A
LEAD OFFICER:	ROBIN PRINGLE	TEL:	07730 804 547
JOB TITLE:	CORPORATE HEALTH, SAFETY AND RISK MANAGEMENT LEAD	E-MAIL:	<a href="mailto:Robin.Pringle@reading.gov.uk">Robin.Pringle@reading.gov.uk</a>

### 1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This report outlines the Q1&2 2022/2023 update of the Strategic Risk Register. The Register is presented to the Council's Audit & Governance Committee a minimum of six monthly. Future reports will be scheduled quarterly. It was last presented to the Council's Audit and Governance Committee in April 2022.
- 1.2 The following document is appended:  
Appendix 1 - the Council's Strategic (Corporate) Risk Register Q1&Q2

### 2. RECOMMENDED ACTION

- 2.1 Audit & Governance Committee are asked to review and agree the Councils Strategic Risk Register at the end of Q2.

### 3. POLICY CONTEXT

- 3.1 The Risk Management Policy and Procedure document has been updated to bring it in line with best practice and to incorporate a formal Risk Management Procedure including clear instructions on how to utilise the SharePoint site to record and update risks.
- 3.2 The Risk Management Policy and Procedure was presented to Audit & Governance Committee in July 2022 and approved at the Policy Committee on the 21<sup>st</sup> September 2022.
- 3.3 Risk management is a key part of corporate governance. Good risk management will help identify and deal with key Strategic risks facing the Council in the pursuit of its goals and is a key part of good management, not simply a compliance exercise. Risk management and internal control are important and

integral parts of a performance management system and are crucial to the achievement of outcomes. They consist of an ongoing process designed to identify and address significant risks involved in achieving the Council's outcomes.

#### **4. THE CURRENT POSITION**

- 4.1 RBC will be operating a more comprehensive risk management system, which will provide greater governance and reassurances to our insurers and Members. This will be achieved by improving:
- The policy commitments and roles and responsibilities,
  - Defining a clear operating procedure,
  - Increasing the frequency of Risk Register reviews and reporting, and
  - Working closely with our insurers and risk consultants to embed the new system.
- 4.2 The Directors, Deputy and Assistant Directors received additional Risk Management training in June 2022, where the new draft Policy and Procedure was presented and explained.
- 4.3 Following the training, Corporate Management Team (CMT) and Directorate Management Team's (DMT's) were required to review their existing risks, determine if they are still relevant and fit for purpose and determine whether there are new risks that need incorporating into the Risk Registers. DMT's were also asked to determine if any risks should be escalated to the Strategic Risk Register.
- 4.4 The SharePoint site, which holds the Strategic, Directorate and Project Risk Registers has been updated to reflect the new requirements.
- 4.5 The updated Strategic Risk Register has been developed to provide a concise, focused and high-level overview of strategic risks that can be easily communicated to all staff, Councillors and stakeholders (e.g. Council's Insurers). It should, always be supplemented by directorate/service/project risk registers. Directorate Risk Registers have also been reviewed and updated for 2022/23.
- 4.6 The Strategic Risk Register was initially reviewed for 2022/2023 by the Corporate Management Team (CMT) on the 9<sup>th</sup> August 2022. Following these discussions and new risks being put forward by Directorate DMT's, the following changes have occurred to the Strategic Risk Register:

##### **Risks Closed and Removed from The Strategic Risk Register**

- Climate Risk - Failure to adapt to the impacts of climate change and deliver zero carbon commitments with negative impacts for residents and businesses, and for Council services, infrastructure and reputation. This risk has been split into 2 new individual risks.
- ICT - Failure to improve the quality of ICT

##### **Existing Risks that remain**

1. Unable to achieve the budget savings, manage costs, as a result of cost-of-living increases and not achieving income targets
2. Failure to retain and recruit staff
3. Information Governance - Failure to protect personal data
4. Cyber - Risk of loss from cyber-attack

5. Companies Risk - That the council fails to have in place appropriate oversight and scrutiny of its companies
6. Failure to safeguard vulnerable adults and children

**Updated Risks (Changes to Title):**

7. Failure to deliver zero carbon commitments
8. Failure to adapt to the impacts of climate change
9. Failure to manage an outbreak of communicable diseases
10. Failure to implement the social inclusion agenda within the borough

**New Risks Introduced**

11. Failure to safeguard young people in the community from serious crime
12. High risk of homelessness within the new Ukrainian arrivals due to unmet future housing needs
13. Lack of effective corporate parenting across the organisation
14. Failure to implement new government legislation to deliver Adult Social Care Reforms
15. Provider's ability to meet statutory Adult Social Care requirements

- 4.7 The Strategic Risk Register (Appendix 1) for agreement, now consists of 15 risks (if all proposals are accepted) compared to 10 in 21/22
- 4.8 Although guidance is provided in relation to the scoring of risks, with a view to providing as much consistency as possible, it still remains a subjective process. The primary aim of the Strategic Risk Register is to identify those key vulnerabilities that CMT consider need to be closely monitored in the forthcoming months and, in some instances, years ahead. In many cases this will be because the risk is relatively new and, whilst being effectively managed, the associated control framework is yet to be fully defined and embedded. In such circumstances it follows that not only will the potential impact be large, but the risk of likelihood of occurrence could also be increased.
- 4.9 In order to focus senior management and Member attention on areas of greatest risk, the Register should include only the key current risks that have not been mitigated down to an acceptable level. Where risks have been rated as green for two or more consecutive quarters they are removed from the Register. These can be re-instated should the risk rise again.

**5. EMERGING RISKS**

- 5.1 The emergence of new risks in the period 'post' pandemic, in the main are caused by global and UK economic pressures, the cost-of-living crisis, inflation and price rises and the effects of the war in Ukraine. These will provide further challenges for the Council during 2022/23 and whilst they are not identified in isolation, associated risks are captured under individual corporate risks.

The cost-of-living crisis caused by rising rates of inflation and fuel/energy costs, may result in more families and households to fall into unemployment and poverty, which may lead to increased level of service demand on the Council and place additional pressure on front-line services. This will be closely monitored as an emerging risk, with mitigating actions put forward.

- 5.2 As announced in the last Queens speech, the 'Protect Duty' which followed the Manchester Arena bombing, is due to come into place during this parliament.

The purpose of the draft Bill is to keep people safe by introducing new security requirements in certain public locations and venues and to ensure preparedness for and protection from terrorist attacks. This will be closely monitored as an emerging risk, with mitigating actions being implemented.

## **6 CONTRIBUTION TO STRATEGIC AIMS**

- 6.1 Regular review of the Policy, and Strategic Risk Register, is an integral part of effective risk management arrangements and corporate governance.
- 6.2 Identifying risk appetite will enable the Council to clarify the extent of risk mitigation required in order to achieve its strategic aims.
- 6.3 Each risk is linked to a Corporate Plan theme.

## **7. ENVIRONMENTAL AND CLIMATE IMPLICATIONS**

- 7.1 There are no specific environmental or climate implications arising from the decision.
- 7.2 The Strategic Risk Register includes two risks related to climate implications and the actions to mitigate these risks are included in Appendix One.

## **8. COMMUNITY ENGAGEMENT AND INFORMATION**

- 8.1 The consultation duty is not applicable to the Risk Management Policy & Procedure.
- 8.2 Internal consultation has taken place with the Corporate Management Team, and the Councils insurer and consultants and their feedback is reflected in the revised policy & procedure.

## **9. EQUALITY IMPACT ASSESSMENT**

- 9.1 An Equality Impact Assessment (EIA) is not relevant to this report.

## **10. LEGAL IMPLICATIONS**

- 10.1 There are no specific legal implications arising from the recommendations in this report.

## **11. FINANCIAL IMPLICATIONS**

- 11.1 There are no specific financial implications arising from the recommendations in this report.

## **12. BACKGROUND PAPERS**

- 12.1 Risk Management Policy & Procedure, 2022