

READING BOROUGH COUNCIL

REPORT BY EXECUTIVE DIRECTOR OF RESOURCES

TO:	AUDIT AND GOVERNANCE COMMITTEE		
DATE:	24th January 2023		
TITLE:	STRATEGIC RISK REGISTER Q3 2022/23		
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1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This report outlines the Q3 2022/2023 update of the Strategic Risk Register. The Register is presented to the Council's Audit & Governance Committee, quarterly. The Q1 & Q2 report was presented to the Council's Audit and Governance Committee in September 2022.
- 1.2 The following document is appended:
Appendix 1 - the Council's Strategic (Corporate) Risk Register Q3

2. RECOMMENDED ACTION

- 2.1 Audit and Governance Committee are asked to review and agree the Councils Strategic Risk Register at the end of Q3 (Appendix 1)**

3. POLICY CONTEXT

- 3.1 The updated Risk Management Policy and Procedure was presented to Audit & Governance Committee in July and signed off by Policy Committee on the 21st of September 2022.
- 3.2 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. Current Position

4.1 RBC are operating a more comprehensive risk management system, to provide greater governance and reassurances to our insurers and Members.

This is 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 Risk Management training in June 2022, where the new Policy and Procedure was presented and explained. Following the training, The Corporate Management Team (CMT) and Directorate Management Teams (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. This review process was repeated for Q3.

The SharePoint site, which holds the Strategic and Directorate Risk Registers has been updated this quarter.

4.3 The 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, councilors and stakeholders (e.g. Council's Insurers). It should always be supplemented by directorate/service/project risk registers.

4.4 Q3 Strategic Risk Register - Updates

4.4.1 The Strategic Risk Register was reviewed by the Corporate Management Team (CMT) on the 10th of January 2023. The following highlights the changes made.

Risks Closed and Removed from the Strategic Risk Register:

De-escalated to DACHS Risk Register:

- Implementation of the new government legislation to deliver Adult Social Care Reforms
- Provider's ability to meet statutory Adult Social Care requirements

De-escalated to DEGNS Risk Register:

- High risk of homelessness within the Ukrainian arrivals due to unmet housing needs

Merged into 'Failure to Safeguarding Vulnerable Adults and Children's' Risk Card:

- Failure to safeguard young people in the community from serious crime.
- Lack of effective corporate parenting across the organisation

Existing Risks That Remain

- Companies Risk - That the council fails to have in place appropriate oversight and scrutiny of its companies
- Cyber - Risk of loss from cyber-attack
- Failure to adapt to the impacts of climate change
- Failure to deliver zero carbon commitments
- Failure to implement the social inclusion agenda within the borough
- Failure to manage an outbreak of communicable diseases
- Failure to safeguard vulnerable adults and children
- Information Governance - Failure to protect personal data
- Failure to retain and recruit staff
- Unable to achieve the budget savings, manage costs, as a result of cost-of-living increases and not achieving income targets

New Risks Introduced

- Lack of local Special Education Needs and Disabilities (SEND) placement provision to meet current and future levels of demand

4.5 The Strategic Risk Register (Appendix 1) for agreement, now consists of 11 risks compared to 15 for Q1 & Q2 22/23.

4.6 Although guidance is provided in relation to the scoring of risks, with a view to providing as much consistency as possible, it 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.

4.7 In order to focus Member attention on areas of greatest risk, the Register should include only the key current risks that have not been mitigated down to the risk appetite level. Where risks have been rated as green for 2 or more consecutive quarters they are removed from the Register. These can be re-instated should the risk rise again.

4.8 Risk Management Training has been planned for A&G Committee Members and all Councillors on the 2nd of February 2023 and 30th March 2023. Both training sessions will provide Members with the guidance on how to review and challenge reports when received (as part of good governance).

5. CONTRIBUTION TO STRATEGIC AIMS

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

6. ENVIRONMENTAL AND CLIMATE IMPLICATIONS

6.1 There are no specific environmental and climate implications arising from the decision. The Strategic Risk Register includes two risks related to climate implications and the actions to mitigate these risks are included in appendix one.

7. COMMUNITY ENGAGEMENT AND INFORMATION

7.1 The consultation duty is not applicable to the Risk Management Policy & Procedure.

7.2 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 at appendix one.

8. EQUALITY IMPACT ASSESSMENT

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

9. LEGAL IMPLICATIONS

9.1 There are no specific legal implications arising from the recommendations in this report".

10. FINANCIAL IMPLICATIONS

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

11. BACKGROUND PAPERS

11.1 Risk Management Policy & Procedure, 2022