

Audit and Governance Committee

20 July 2023



Reading
Borough Council
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Title	Strategic Risk Register Q1/Q2 2023/24
Purpose of the report	To note the report for information
Report status	Public report
Report author (name & job title)	Robin Pringle, Corporate Health, Safety and Risk Management Lead
Lead Councillor (name & title)	Councillor Liz Terry
Corporate priority	Our Foundations
Recommendations	Audit and Governance Committee are asked to consider the Council's Strategic Risk Register at the end of Q1 2023/2024 (Appendix 1)

1. Executive Summary

- 1.1 This report outlines the 2023/2024 Q1/Q2 update of the Strategic Risk Register. The Register is presented to the Council's Audit & Governance Committee, quarterly. The Q4/Q1 report was presented to the Council's Audit and Governance Committee in March 2023.
- 1.2 The following document is appended:
Appendix 1 - the Council's Strategic (Corporate) Risk Register Q1

2. Policy Context

- 2.1 The updated Risk Management Policy and Procedure was presented to Audit & Governance Committee in July and signed off by Policy Committee on the 21st September 2022.
- 2.2 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.

3. The Proposal

- 3.1 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

- 3.2 The Corporate Management Team (CMT) and Directorate Management Teams (DMT's) are required to periodically 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.

All individual risk cards have been updated on the SharePoint site.

- 3.3 The Strategic Risk Register provides a concise, focused, 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 and project risk registers.
- 3.4. The risk register covers the actions completed by the Council during Q1 and the risk ratings for the Council for Q2 of 2023/2024. Timing of reports to Audit & Governance Committee means the report is produced slightly before the end of quarter 1.
- 3.5 Audit & Governance Committee are requested to note that quantitative data is now being recorded within the 'Background Context' box, where information can be reported in this format. Moving forwards, this will allow the Council and Risk Owners to understand the impact of the control measures implemented.

3.6 **Q1 Strategic Risk Register - changes**

- 3.6.1 The Strategic Risk Register was reviewed by the Corporate Management Team (CMT) on the 6th June 2023.

3.6.2 **Risks that Continue:**

1. Risk of loss from cyber attack
2. Brighter Future for Children (BFfC) - Lack of local special educational needs and disabilities (SEND) placement provision to meet current and future levels of demand
3. Unable to achieve the budget savings, manage costs, as a result of cost-of-living increases and achieving income targets
4. Companies Risk – That the council fails to have in place appropriate oversight and scrutiny of its companies.
5. Failure to implement the social inclusion agenda within the Borough
6. Failure to adapt to the impacts of climate change
7. Failure to deliver zero carbon commitments
8. Information Governance - Failure to protect personal data
9. Staffing - Failure to retain and recruit staff
10. Failure to safeguard vulnerable adults and children
11. Failure to manage a significant outbreak of a communicable disease(s)

3.6.3 **Proposed risks for escalation, from Brighter Futures for Children (BFfC) and Directorate registers, to the Strategic Register**

- **BFfC**
 - No risks to escalate
- **Directorate of Resources**
 - No risks to escalate
- **'Directorate of Adult Care and Health Services**
 - No risks to escalate
- **Directorate of Economic Growth and Neighbourhood Services**
 - No risks to escalate

3.6.4 **Proposed risks for de-escalation from the Strategic Risk Register to BFfC or Directorate registers**

- **BFfC**
 - No risks for de-escalation
- **Directorate of Resources**
 - No risks for de-escalation

- **Directorate of Adult Care and Health Services**
 - No risks for de-escalation
- **Directorate of Economic Growth and Neighbourhood Services**
 - No risks for de-escalation

3.6.5 **New Risks Introduced**

There are no new risks being introduced.

- 3.7 The Strategic Risk Register (Appendix 1) for agreement, consists of 11 risks (*if all proposals are accepted*) compared to 11 for Q4 2022.
- 3.8 Guidance is provided in relation to the scoring of risks, to enable 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.
- 3.9 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 the acceptable risk 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 increase again.
- 3.10 Risk Management Training was delivered to Councillors on 2nd February 2023 and the 30th March 2023. Both training sessions provide Members with the guidance on how to review and challenge reports when received (as part of good governance). Feedback from the sessions was positive.
- 3.11 In order to support the embedding of risk management principles across the Council, training for managers and service managers is planned for:
- 6th July 2023 – AM & PM sessions available
 - 13th September 2023 – AM & PM sessions available
 - 26th September 2023 – AM & PM sessions available
 - 10th October 2023 – AM & PM sessions available
 - 26th October 2023 – AM & PM sessions available
 - 8th November 2023 – AM & PM sessions available

With a further 8 further sessions are yet to be arranged.

These will be provided by Gallagher Bassett, the Councils Risk Consultant and the Senior Risk and Health and Safety Adviser.

- 3.12 To support managers and project leaders across the council a guidance document has been prepared and launched on the Intranet:
- Risk Management Projects and Programmes

4. Contribution to Strategic Aims

- 4.1. Regular review of the Policy, and Strategic Risk Register, is an integral part of effective risk management arrangements and corporate governance. Each risk is linked to a Corporate Plan theme.

- 4.2. The Council's new Corporate Plan has established three themes for the years 2022/25. These themes are:
- Healthy Environment
 - Thriving Communities
 - Inclusive Economy
- 4.3. These themes are underpinned by "Our Foundations" explaining the ways we work at the Council:
- People first
 - Digital transformation
 - Building self-reliance
 - Getting the best value
 - Collaborating with others
- 4.4. Full details of the Council's Corporate Plan and the projects which will deliver these priorities are published on the [Council's website](#). These priorities and the Corporate Plan demonstrate how the Council meets its legal obligation to be efficient, effective and economical.

5. Environmental and Climate Implications

- 5.1. 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.

6. Community Engagement

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

7. Equality Implications

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

8. Other Relevant Considerations

- 8.1. There are no other considerations relevant for 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. Timetable for Implementation

- 11.1. Each individual risk card identifies its own implementation timetable.

12. Background Papers

- 12.1. There are no background papers.

Appendices

1. **Strategic Risk Register Q1 / Q2 2023 /2024**