

Audit and Governance Committee

27 September 2023



Reading
Borough Council
Working better with you

Title	Strategic Risk Register - September 2023
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	1. Audit and Governance Committee are asked to consider the Councils Strategic Risk Register as of 11 th September 2023 (Appendix 1)

1. Executive Summary

1.1 This report outlines the September 2023 update of the Strategic Risk Register. The Register is presented to the Council's Audit & Governance Committee, quarterly. The previous report was presented to the Council's Audit and Governance Committee in July 2023.

1.2 The following document is appended:
Appendix 1 - the Council's Strategic (Corporate) Risk Register

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 of 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.

2.3 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.

2.4 The Corporate Management Team (CMT) and Directorate Management Teams (DMT's) are required to continually 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 are 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.

- 2.5 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. Strategic Risks

- 3.1 The Strategic Risk Register (Appendix 1) covers the actions completed by the Council between June – September 2023 and the risk ratings for the Council for September - December of 2023. Timing of reports to Audit & Governance Committee means the report is produced slightly before the end of the quarter.

- 3.2 The Strategic Risk Register was reviewed by the Corporate Management Team (CMT) on the 11th of September 2023.

- 3.3 The Strategic Risk Register (Appendix 1) for agreement, consists of the same 11 risks as previous. They are:

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 deliver a balanced budget as a result of cost-of-living increases, demand pressures and achieving income targets.
4. Failure to deliver zero carbon commitments.
5. Failure to safeguard vulnerable adults and children.
6. Staffing - Failure to retain and recruit staff.
7. Companies Risk – That the council fails to have in place appropriate oversight and scrutiny of its companies.
8. Failure to implement the Tackling Inequality Strategy within the Borough. This was previously titled: Failure to implement the social inclusion agenda within the Borough.
9. Failure to adapt to the impacts of climate change.
10. Information Governance - Failure to protect personal data.
11. Failure to respond to a major incident health hazard or manage a significant outbreak of communicable disease This was previously titled: Failure to manage a significant outbreak of a communicable disease(s).

- 3.4 **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.

- 3.5 **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 There are no new risks being introduced.

3.7 There are now 5 red risk cards, this is up 2 red risk cards from the previous quarter. They are:

- Cyber - Risk of loss from cyber attack
- BfFC - Lack of local special educational needs and disabilities (SEND) placement provision to meet current and future levels of demand.
- Failure to safeguard vulnerable adults and children.
- New red risk: Failure to deliver zero carbon commitments. This is due to the capital bids for electrification of the remainder of the fleet and decarbonisation of RBC buildings awaiting approval.
- New red risk: Unable to deliver a balanced budget as a result of cost-of-living increases, demand pressures and achieving income targets.

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 Audit and Governance Committee are advised that internal reporting has moved from a quarterly basis to a 'live' operational basis. Risk owners (Strategic and Directorate Risk Registers) will update their risk cards as and when things change, rather than on a quarterly basis. This will make the system more effective and influential during decision making. It will also enable risk owners to utilise their risk information for any reports being submitted.

Reporting to CMT will continue for all risks every three months prior to the Audit and Governance Committee. Reporting will be 'as at' due to the system being 'live'.

Additionally, to support the management of high risks, the 'red' strategic risk cards will be reported monthly within the Corporate Management Performance Monitoring Reports to ensure that actions are being completed.

3.11 Audit and 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.

It should also be noted that the risk information layout has also been updated to clearly separate 'existing controls in place' and ongoing 'specific actions'.

3.12 Risk Management Training was delivered to Councillors on 2nd February 2023 and the 30th of 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. A further session has been planned for the 21st of November 2023, to encompass newly elected Members.

3.13 In order to support the embedding of risk management principles across the Council, training for managers and service managers is planned for:

- 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

4 sessions have already been completed with positive feedback received.

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. CMT to note and promote training amongst Service Managers.

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 as of 11th September 2023