

Committee: Audit and Scrutiny Committee	Date: 28 September 2021
Subject: Risk Management	Wards Affected: All
Report of: Jacqueline Van Mellaerts, Corporate Director – Finance & Resources	Public
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Summary

The report updates members of the Audit & Scrutiny Committee on the status of the Council's 2021/22 Strategic Risk Register and high-level operational risks.

The Risk Registers are currently under review to align them to the Corporate Strategy, as well as presenting them in a more appropriate format.

Main Report

Introduction and Background

1. The governance arrangements set out in the 'Insurance & Risk Management Strategy' and terms of reference of committees from our constitution require the Audit and Scrutiny Committee to review the strategic and operational risks every quarter.
2. The strategic and operational risk registers are monitored by Senior Leadership Team (SLT) and the Extended Leadership Team (ELT) who consider the risks, the mitigations and agrees the content. It is the responsibility of the Audit & Scrutiny Committee to review the strategic risks and confirm they are confident that the risks associated within this register are those which are strategic and relevant to the organisation at this point in time and the considered future.
3. Work continues to embed Risk Management within the Council. It is important that all staff become involved in the risk management process and become aware of their responsibilities in identifying and managing risk. A Risk Management Fund of £5k was allocated within the insurance tender, which is deducted from the annual premium, for use on Risk Management improvements for the Council. The remainder of the fund for 2020-2021 has been allocated for an Accident Investigations and Claims Defensibility Review which will be carried out in November. £1,900 of the fund for 2021-22 has been allocated for two Accident Investigation and Claims Defensibility training sessions to be held in December.

Issue, Options and Analysis of Options

4. The risk register is currently under review, and a new template to record risks has been developed and enhanced to now include risk categorisation and target scores. These scores are based on the successful completion of actions in the 'Further Actions/Comments' column as seen in Appendix A. The tables demonstrate the movement of risk scores from Original to Current and also detail the anticipated Target score, with any outstanding or further actions for each risk.
5. There is still work to be done to identify or rewrite risk descriptions to align the Strategic Risks to the Corporate Strategy. Work to progress this will continue over the coming months.
6. Risk Management continues to be imbedded quarterly within the Senior Leadership Team reports, where Service Heads discuss the top-level risks for their service areas to ensure that the risks are updated to reflect the ongoing changes.
7. The Risk and Insurance Officer will continue to work with risk managers to maintain the good progress to date and further develop a consistent application of risk management considerations across all operations of the Council.

Strategic Risks

8. In accordance with the Council's Insurance and Risk Management Strategy, risk owners have reviewed their risks and updated them. These were discussed and agreed by the Senior Leadership Team on Wednesday, 15 October.
9. Attached to this report at Appendix A is a summary showing the current status of each risk.
10. As a result of the current risk review one score has increased and two scores reduced. The remaining scores have remained unchanged.
11. The risk where the risk scores have increased is as follows:

- Red Risk RSK10 – Income Projections not met (row 53) L4 x I5 = 20

The risk score has been increased for this particular risk due to certain savings targets and baseline income due to COVID-19 not yet achieved in Medium Term Financial Strategy and at this stage are not likely to be met.

- Green Risk RSK5 – Lack of Strategic Direction (row 28) L2 x I2 = 4
The risk score has been increased due to the Collaboration between Brentwood Borough Council & Rochford District Council currently in its interim stage.

12. The risks where the risk score has reduced are as follows:

- Green Risk RSK6 – Corporate Strategy (row 33) L2 x I2 = 4
The risk has been reduced due to the Senior Leadership team reviewing the Business plan of the Corporate Strategy and aligning this with the risk ranking table.

Risk Matrix

13. The twelve risks are plotted on the risk matrix in Table 1. The current assessment identifies that two risks are categorised as very high in the red area of the risk matrix.

Table 1 – Risk Matrix

Likelihood / Probability	Definite	Low (5)	Medium (10)	High (15)	V. High (20)	V. High (25)
	Very Likely	Low (4)	Medium (8)	High (12)	V. High (16) RSK2	V. High (20) RSK10
	Likely	Low (3)	Medium (6)	Medium (9)	High (12) RSK9; RSK11	V. High (15) RSK1
	Unlikely	Low (2)	Low (4) RSK5 RSK6	Medium (6) RSK8	Medium (8) RSK3; RSK4; RSK12	High (10) RSK7
	Highly Unlikely	Low (1)	Low (2)	Low (3)	Medium (4)	Medium (5)
		Negligible	Minor	Moderate	Significant	Major
		Negative Impact / Severity				

Likelihood x Impact = Risk Score

No.	Risk	No.	Risk
1	Failure to adopt a local plan in line with national policy	7	General Fund budgets could fall below the minimum level of reserves
2	Failure to develop an environmental strategy and action plan	8	Unable to react to major incident.
3	Failure to deliver a clear Leisure Strategy	9	Lack of Organisational Capacity
4	Failure to deliver Strategic Housing Development Plan	10	Unable to meet income projections
5	Lack of Strategic Direction	11	Not compliant with data protection legislation
6	Failure to deliver objectives within Corporate Strategy	12	Contract/Partnership Failure within organisation

Operational Risks

14. The Operational Risk Registers have now been grouped under each Directorate and work has been ongoing to identify any new risks or rewrite existing risks for each Directorate in line with the Corporate Strategy.
15. Attached to this report at Appendix B is the operational risk summary sheet showing the very high and high-level risks. The risk references are shown in brackets in the table below which match to Appendix B.
16. The table below shows the total number of risks identified in operational risk registers across the Council

Directorate	Open risks on register	Very High Risks	High Risks	Medium Risks	Low Risks
Finance & Resources	9		1 F&R3	5	3
Digital & Customer	4		3 D&C1, D&C2, D&C3	1	
Law & Governance	14			3	11
Housing & Community Safety	10	2 H&C2, H&C9	2 H&C3, H&C7	5	1
Planning & Economy	3			3	
Environment & Communities	12	2 E&C1, E&C5	1 E&C2	3	6

Consultation

17. None

References to Corporate Strategy

18. Effective risk management arrangements will enable the Council to achieve its corporate priorities. The process will allow identification of risks and issues, enabling informed decision making to remove or reduce them, in order for the priorities to be achieved.

Implications

Financial Implications

Name/Title: Jacqueline Van Mellaerts, Corporate Director (Finance & Resources) and Section 151 Officer

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19. None arising specifically from this report, but control measures identified in risk registers could have financial or resource implications.

Legal Implications

Name & Title: Amanda Julian, Corporate Director (Law & Governance) and Monitoring Officer

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20. Effective risk management provides a means of identifying, managing and reducing the likelihood of legal claims or regulatory challenges against the Council.

Economic Implications

Name/Title: Phil Drane, Corporate Director (Planning & Economy)

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21. Economic implications are contained within the report and identified in risk registers.

Background Papers

- Insurance & Risk Management Strategy

Appendices to this report

- Appendix A: Strategic Risk Register
- Appendix B: Operational Risk Register
- Appendix C: Risk Ranking Table