

Report

Cabinet



Part 1

Date: 23 May 2018

Item No: 7

Subject Corporate Risk Management Strategy

Purpose To present cabinet with an updated version of the council's Corporate Risk Management Strategy

Author Head of People and Business Change

Ward All

Summary The Corporate Risk Management Strategy has been reviewed and revised to strengthen existing arrangements and support the delivery of the Corporate Plan. Anticipating and preparing for future challenges, trends, threats and opportunities is an essential part of the council's risk strategy and allows for better preparedness and the incorporation of mitigation into planned activities and policies.

This helps the council to take a longer-term strategic approach, and makes present policy more resilient to future uncertainty.

Proposal To endorse the Corporate Risk Management Strategy

Action by Heads of Service
Performance Team

Timetable Immediate

This report was prepared after consultation with:

- The Leader of the Council
- Chief Executive
- Strategic Directors
- Heads of Service
- Operational Performance Network

Signed

Background

The council's risk strategy was developed in 2014, since this time, there have been legislative changes and a new corporate plan has been agreed. The service planning process is being developed to create longer term plans that will fit with the 5 year timeframe of the corporate plan, and to form a more integrated approach to strategic planning. The corporate risk register has been refreshed to reflect risks to the council achieving the objectives set out in the corporate plan; it is a live document that reflects the main risks the council faces and considers the wellbeing profiles that demonstrate population estimates and demographic analysis.

It is timely that the corporate risk strategy be revised to support the delivery of the corporate plan as well as to consider the impact of legislative changes on the way council supports communities and delivers services. This strategy sets out the councils aim to embed risk management into its strategic planning framework and into the day to day to day activities that deliver the outcomes of the councils strategic plan.

Strategy

The revised Risk Management Strategy reflects a revised approach to risk management and improved processes for identifying and escalating risk. The potential benefits of this approach are improved decision making, avoidance of shocks and the ability to mitigate threats and take advantage of opportunities.

The strategy recognises the complex and diverse nature of the organisation and the importance of the risk register as a record of the significant risks to the council and the actions being taken in response to these risks. Anticipating and preparing for future challenges, trends, threats and opportunities is an essential part of the councils risk strategy and allows for better preparedness and the incorporation of mitigation into planned activities and policies. Horizon scanning allows the council to consider how emerging trends and developments might potentially affect current policy and practice. This helps the council to take a longer-term strategic approach, and makes present policy more resilient to future uncertainty.

Risk management practice continues to improve and the strategy represents an important step in this development. As outlined in the strategy a risk appetite statement will also be developed to support this.

The strategy aims to embed the sustainable development principle of the Wellbeing of Future Generations (Wales) Act 2015 into the process as outlined in the strategy and the diagram below.



Financial Summary

None

Risks

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
That the strategy is not adopted and used across the council	M	L	The strategy will be communicated across the council. Risk is already embedded in Service plans as well as the corporate risk register further development of the MI Hub business management software will allow these risks to become intrinsically linked.	Head of People and Business Change

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

The performance management strategy supports the delivery of the council's corporate plan and wellbeing objectives and is linked to the risk management strategy and people and culture strategy.

Options Available and considered

1. To implement the revised Corporate Risk Management Strategy
2. Decide to not implement the revised Corporate Risk Management Strategy

Preferred Option and Why

Option 1 is the preferred option; implementation of this strategy will strengthen existing arrangements and strengthen the existing risk management process.

Comments of Chief Financial Officer

There are no direct financial implications arising from this report. The corporate risk register forms an important part of the governance and budget setting arrangements for the council and the risk register is used to guide the internal audit plan

Comments of Monitoring Officer

There are no specific legal issues arising from the Report. The Council's risk management strategy is an integral part of its strategic planning framework and is now being revised to take account of the new corporate plan objectives, new and anticipated changes in legislation and changes in service needs and demands. This will provide a more resilient basis for future service planning, aligned to the sustainable development principle of the Wellbeing of Future Generations (Wales) Act 2015.

Comments of Head of People and Business Change

There are no direct staffing implications as a result of this report.

As outlined in the report, the Corporate Risk Management Strategy supports the achievement of the well-being objectives which sit within the Corporate Plan, the risk management process considers the Well-being of Future Generations by considering risks that may occur in the longer term that may prevent the council from achieving its objectives as well as actions to prevent them happening or getting worse. Good risk management is an enabling process that allows the council to operate effectively despite the challenges it faces.

Comments of Cabinet Member

The Chair of Cabinet has been consulted and has agreed that this strategy goes forward to Cabinet for consideration.

Local issues

No local Issues

Scrutiny Committees

The views of audit committee as outlined below have been taken into account when developing the strategy

Since the introduction of the Local Government Measure 2011 the local authority's Audit Committee had a role in reviewing and assessing the risk management, internal control and corporate governance arrangements of the authority. Processes and strategies about risk management should be reviewed by the Committee however the content of the risk register including setting and changing risks included in the register was not the role of the Audit Committee.

Members raised a number of issues:

- The future is unforeseen so how can future risk be managed? – In terms of 5-10 years in the future there is capability but 35 years into the future would be more problematic. Therefore the need to balance risk is important.
- Is there a formal process for good practice and lessons learned? – Part of the outcomes being considered are in relation to communications mechanisms.
- In terms of support for an effective risk culture is it low, medium? – The Council has an appetite for risk in terms of the Executive and set in policy. The risk is low/medium dependant on which area of policy is being considered. It is low when there is a detrimental impact.
- A fundamental risk is the fact that people need to know the Risk Management Strategy is in place and have an understanding of how to use it. It is important to ensure the workforce know they have to assess risk. How does the Council ensure this across the whole workforce? – This is a service planning and communication challenge – To manage risk and a range of other factors as well.
- Is there a universal framework for risks? When examining risks is the Council seeking out best practice in other councils and working collaboratively on a wider basis? Yes, there is the Management Information Hub which all employees can access. There is a Risk Register which is continually updated and the Service Plans include a section on risk management. This allows the Council to physically join everything up. Certain risks do not just apply to the Council but other organisations and it is about matching risks against other organisations. There is also the Good Practice Exchange - The Wales Audit Office which contains good practice case studies from other local authorities.
- With more and more risks is it more difficult for the Council to obtain insurance? – The Head of People and Business Change was not aware of any examples but could find out. Insurance costs have gone up for all concerned.
- Were there examples of where the Council had avoided danger? – There had been two reasonably significant events this year – the red weather warning and the ransomware attack. Weather was on the rota for civil contingencies. A lessons learned activity had been undertaken which fed into the operational plan. There had been a regional as well as an organisational response. Newport handled the emergency very well and Newport staff had been on call 24/7.
- The sustainable development principles of the Wellbeing of Future Generations (Wales) Act 2015 were embedded in the process and framed each risk but where did the Council think it would be able to make differences as a result of the strategy and what had been put in place that had not been there before? – This is not a new development. Challenging risk is the goal. There is a need to raise this in the organisation's conscience. Risk needs to be taken into account when making decisions and considerations of other opportunities that arise

Agreed:

To note the Draft Corporate Risk Management Strategy.

Equalities Impact Assessment and the Equalities Act 2010

The Equality Act 2010 contains a Public Sector Equality Duty which came into force on 06 April 2011. The Act identifies a number of 'protected characteristics', namely age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation; marriage and civil partnership. The new single duty aims to integrate consideration of equality and good relations into the regular business of public authorities. Compliance with the duty is a legal obligation and is intended to result in better informed decision-making and policy development and services that are more effective for users. In exercising its functions, the Council must have due regard to the need to: eliminate unlawful discrimination, harassment, victimisation and other conduct that is prohibited by the Act; advance equality of opportunity between persons who share a protected characteristic and those who do not; and foster good relations between persons who share a protected characteristic and those who do not. The Act is not overly prescriptive about the approach a public authority should take to ensure due regard, although it does set out that due regard to advancing equality involves: removing or minimising disadvantages suffered by people due to their protected characteristics; taking steps to meet the needs of people from protected groups where these differ from the need of other people; and encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.

Children and Families (Wales) Measure

Although no targeted consultation takes place specifically aimed at children and young people, strategies and risk data are published, and are used to inform other engagement and consultation activity.

Wellbeing of Future Generations (Wales) Act 2015

The Corporate Risk Management Strategy directly relates to the five ways of working outlined in the sustainable development principle of the Well-being of Future Generations (Wales) Act 2015. Risk management is a method of preventing problems before they occur or from worsening, sound risk management enables the council to meet its Well-being Objectives. The risk management process centres on the strategic objectives of the corporate plan and is framed by the principles of the Wellbeing of Future Generations (Wales) Act 2015 at each stage.

Crime and Disorder Act 1998

Section 17(1) of the Crime and Disorder Act 1998 imposes a duty on the Local Authority to exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area.

Consultation

Comments received from wider consultation, including comments from elected members, are detailed in each application report in the attached schedule.

Background Papers

Corporate Risk Register, Cabinet, 13th September 2017

Corporate Risk Register, Audit Committee, 25th September 2017

Corporate Risk Register, Cabinet, 17th January 2018

Corporate Risk Register, Audit Committee, 23rd January 2018

Dated: 23 May 2018