

## [FRONT COVER]

### Leeds City Council Risk Management

### Summary Corporate Risk Assurance Report June 2015

## [INTRODUCTION PAGES 1-2]

### Introduction

We have ambitions of Leeds being the UK's best council and best city: a council that becomes more efficient and enterprising in a city that is great for all ages; where people are earning, learning, safe, healthy and engaged. To achieve both these ambitions, it is essential that we understand, manage and communicate the range of risks that could threaten our organisation and the vital services we provide.

The council's risks stem from a variety of sources, many of which are out of our direct control: for example, global events such as an economic downturn and climate change present immediate as well as longer-term challenges. Closer to home, we often have to respond quickly to changes in government policy and must also recognise and meet the evolving needs of our communities, particularly those of vulnerable people. Such changes, and the uncertainties they may bring, can pose threats that we need to address but also bring opportunities we can exploit. Both aspects of risk management increasingly rely on the council working effectively with partners across the public, private and third sectors.

### Risk Management Framework

The council's risks are identified, assessed and managed using six steps:



The six steps enable us to:

- Understand the nature and scale of the risks we face.
- Identify the level of risk that we are willing to accept.
- Recognise our ability to control and reduce risk.
- Recognise where we cannot control the risk.
- Take action where we can and when it would be the best use of resources. This helps us make better decisions and deliver better outcomes for our staff and the people of Leeds.

These steps are applied across the organisation through our Leeds Risk Management Framework: at strategic and operational levels and for programmes and projects. This document considers the strategic level: the arrangements in place to manage our corporate risks.

## Corporate Risks

### *What is a corporate risk?*

Corporate risks are those of significant, cross-cutting strategic importance that require the attention of our most senior managers and elected members. While all staff have responsibility for managing risks in their services, each of the corporate risks has one or more named 'risk owner', members of the Corporate Leadership Team who are accountable for their management. The Executive Board retains ultimate responsibility.

### *How corporate risks are assessed and managed*

Each corporate risk has a rating based on a combined assessment of how likely the risk is to occur – its probability - and its potential impact after considering the controls we have already put in place. We use a consistent '5x5' scoring mechanism to carry out this evaluation so that we can be sure our risks are all rated in the same way. When we evaluate the impact of a risk we consider the range of consequences that could result: effects on the local community, our staff, the services we provide, any cost implications and whether the risk could prevent us meeting our statutory and legal requirements.

Action plans are in place for all risks in line with their ratings: the greater the risk, the more we try to do to manage it if it is in our control and if that would be the best use of resources. We recognise that the cost and time involved in managing the risk down to nothing may not always be the best use of public money and we factor this in when developing our risk management action plans. We review and update risks regularly through horizon scanning, benchmarking and in response to findings from inspections and audits, government policy changes and engagement with staff and the public.

*[DESIGN: BCP city-scape at the bottom of the page with lines coming up to the 7 corporate risk headings & relevant pictures]*

## **[SIGNIFICANT CORPORATE RISKS: PAGES 3-4]**

The nature of risks is that they come and go as the environment changes. However, we have seven 'standing' corporate risks that will always face the council and which are the focus of this report. They can be roughly split into two types: those that could mainly affect the city and people of Leeds and others that relate more to the way we run our organisation internally. An example of the first might include a major disruptive incident in Leeds or a breach in our social care responsibilities towards vulnerable people; these are often managed in partnership with a range of other organisations. An example of a more internal risk could be a major, prolonged failure of the ICT network. The seven 'standing' corporate risks are summarised below with their June 2015 risk assessments.

### **1. Safeguarding Children**

Leeds City Council has a legal duty to safeguard and promote the welfare of children. The potential consequence of a significant failure in safeguarding is that a child or young person could be seriously harmed, abused or die. Secondary effects of this include reputational damage, legal and financial costs and management and staffing time. The council is strongly

committed to improving the safeguarding of children and young people and this is a clear priority in our Best Council Plan and partnership plans. The most thorough independent assurance for this risk was the external inspection by Ofsted in early 2015: Leeds was rated as 'good' overall with the 'leadership and management' sub area receiving an 'outstanding' rating.

**Probability rating:** 3 – 'Possible'

**Risk rating:** Very High (Red)

**Impact assessment:** 5 – 'Highly significant'

**Risk owner:** Director of Children's Services

## **2. Safeguarding Adults**

A key priority in our Best Council Plan is ensuring that adults whose circumstances make them vulnerable are given the safeguarding and support they need. The potential consequence of a significant failure in safeguarding is that an adult at risk could be seriously harmed, abused or die. Knock-on effects of this include reputational damage, legal and financial costs and also management and staffing time. The council works closely with partner organisations, including the NHS and the Police, to manage this risk through the Safeguarding Adults Board.

**Probability rating:** 3 – 'Possible'

**Risk rating:** Very High (Red)

**Impact assessment:** 5 – 'Highly significant'

**Risk owner:** Director of Adult Social Care

## **3. City Resilience (Emergency planning)**

All local authorities, along with the emergency services, have a legal duty to assess the risk of, and plan for, emergencies. This includes warning and informing the public in relation to emergencies. The council works with partner organisations through groups such as the West Yorkshire Resilience Forum and the Leeds Resilience Group to manage and respond to emergencies that could significantly disrupt the city and impact upon communities and individuals: for example, a major fire in the city centre, localised flooding or civil unrest. Managing this risk supports our Best Council Plan aims of fostering a safe, tolerant society and protecting the vital infrastructure that contributes to the city's economic growth.

**Probability rating:** 3 – 'Possible'

**Risk rating:** Very High (Red)

**Impact assessment:** 5 – 'Highly significant'

**Risk owner:** Deputy Chief Executive

## **4. Health and Safety**

The council has wide ranging responsibilities to prevent the risk of health and safety failures that could result in death, injury, legal challenge and significant reputational damage. A range of health and safety controls are in place to manage this risk including adoption of performance standards, employee accountability, audit reviews and an annual action plan which sets out priorities for the year. This supports our Best Council Plan focus on making sure that people are safe and feel safe in the places they live, work and visit.

**Probability rating:** 3 – 'Possible'

**Risk rating:** High (Orange)

**Impact assessment:** 4 – 'Major'

**Risk owner:** Deputy Chief Executive

## **5. Financial Management**

The ongoing challenge of reshaping and delivering council services within significantly reduced funding levels remains a significant risk in both the short- and medium-term and so we have two corporate risks on this: one that considers the in-year risk, and one going forwards. As such, a priority within our Best Council Plan is to review different funding models for different

services and deliver our financial strategy, without which, delivery of all our Best Council Plan objectives could be threatened. The council manages its financial risks through a range of controls including budget preparation, budget setting and the adoption of a refreshed Budget Accountability Framework which updated the roles and responsibilities for managing, monitoring and forecasting income and expenditure against approved budgets.

#### **In-year budget (2015/16)**

**Probability rating:** 2 – ‘Unlikely’

**Risk rating:** Low (Green)

**Impact assessment:** 2 – ‘Minor’

**Risk owner:** Deputy Chief Executive

#### **Medium-term budget**

**Probability rating:** 3 – ‘Possible’

**Risk rating:** Very High (Red)

**Impact assessment:** 5 – ‘Highly Significant’

**Risk owner:** Deputy Chief Executive

### **6. Council Resilience (Business Continuity Management)**

Leeds City Council has a legal responsibility to have arrangements in place to keep delivering critical services in the event of an emergency, as well as those functions that are important to the welfare and security of the community. The council does this through an organisational-wide Business Continuity Programme that also assesses the resilience of partner and contracting organisations. Given the cross-cutting nature of this risk and its impact on all our services, managing this risk supports the delivery of all our Best Council Plan objectives and priorities.

**Probability rating:** 3 – ‘Possible’

**Risk rating:** High (Orange)

**Impact assessment:** 4 – ‘Major’

**Risk owner:** Deputy Chief Executive

### **7. Information governance**

The most significant risk associated with a failure in information governance is death or serious harm that could have been prevented if data and information had been properly managed and disclosed. The Deputy Chief Executive, through his role as the council’s Senior Risk Information Owner, has ultimate responsibility for the authority’s information governance arrangements, assisted by the Information Management Board and the Corporate Information Governance Team. All our services depend upon effective management of data and information and so, as with the wider risk on Council Resilience, managing the risks relating to information governance supports the delivery of all our Best Council Plan objectives and priorities.

**Probability rating:** 3 – ‘Possible’

**Risk rating:** High (Orange)

**Impact assessment:** 3 – ‘Moderate’

**Risk owner:** Deputy Chief Executive