

Risk Management Policy and Strategy update

Date: 21st July 2021

Report of: Director of Resources

Report to: Executive Board

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

What is this report about?

Including how it contributes to the city's and council's ambitions

- The report presents the council's Risk Management Policy and Strategy, which have been reviewed and updated to reflect changes in sector best practice and guidance. The Policy is a formal acknowledgement of the council's commitment to managing risk. The Strategy provides an overview of the arrangements for managing risk within the council and acts as a reference point for staff and members. Together, these ensure there is an effective, robust, consistent and communicated way of managing risk across the council.
- Our ambition is for Leeds to be the best city in the UK: one that is compassionate and caring with a strong economy which tackles poverty and reduces inequalities. Risk is present in everything we do to improve outcomes and deliver services. The Covid-19 pandemic has seen the biggest test of our risk management arrangements and this, added to ongoing financial pressures and the potential impacts on vulnerable people means that strong risk management arrangements are essential to minimise the risks of achieving the ambitions.
- This report should be read in conjunction with the update of the Annual Corporate Risk Management report which is on the same Executive Board meeting agenda.

Recommendations

- a) Executive Board is asked to endorse the updated Risk Management Policy and Strategy.
- b) Executive Board to note the offer of risk management training and to contact the report author should any be required.

Why is the proposal being put forward?

- 1 The proposal is being put forward as it is good practice to periodically review and update the council's Risk Management Policy and Strategy to ensure they remain up to date, fit for purpose and to reflect recent changes in sector best practice and guidance. The update included a review of Risk Management Policies and Strategies from other UK Core Cities and local authorities as well as reflecting relevant guidance from CIPFA¹ and ALARM².
- 2 Without an up to date Policy and Strategy, risk management may not be properly embedded and undertaken within the council. Significant risks may not be identified and managed.

What impact will this proposal have?

Wards affected:

Have ward members been consulted?

Yes

No

- 3 The Risk Management Policy and Strategy cover the arrangements for managing the council's risks, some of which are 'external facing' i.e. their occurrence would have an adverse impact on citizens and communities in Leeds. Examples of our external facing risks include Major flooding, Major incident in the city and Keeping the city moving. An effective Risk Management Policy and Strategy should help prevent these risks from arising or mitigate their impact should they occur.

What consultation and engagement has taken place?

- 4 The Risk Management Policy and Strategy have been developed in consultation and engagement with relevant senior officers across the council, the Corporate Leadership Team and the Council Leader, whose Executive Board Portfolio includes risk management.
- 5 Consultation and engagement obtained views on the aspects of the council's risk management arrangements considered to be working well and those that could be improved as well as raising new aspects to consider. The consultation and engagement helped inform the content of the Policy and Strategy.

What are the resource implications?

- 6 The Risk Management Policy and Strategy were developed taking into account proportionality and the need to balance comprehensive arrangements and the efficient and effective use of resources. There is no material cost to developing and applying the Risk Management Policy and Strategy other than staff resources.
- 7 Effective risk management arrangements help to avoid costly mistakes from being made and minimising their impact if they happen.

What are the legal implications?

- 8 The council's risk management Policy and Strategy support the authority's compliance with the statutory requirement under the Accounts & Audit Regulations 2015. Through this, Regulation 6 requires authorities to conduct a review at least once a year of the effectiveness of its systems of internal control in accordance with proper practices. The

¹ CIPFA: The Chartered Institute of Public Finance & Accountancy

² ALARM: An organisation that provides risk management training, guidance and best practice for the Public Sector

system of internal control, including arrangements for the management of risk, assists the council in effectively exercising its functions.

- 9 The updated Risk Management Policy and Strategy will form part of this year's annual report on the council's risk management arrangements, due to be reviewed by Corporate Governance and Audit Committee in December 2021.

What are the key risks and how are they being managed?

- 10 Without an up to date, fit for purpose and embedded Policy and Strategy, the council's arrangements for managing risk will become ineffective and this could result in preventable risks arising and a subsequent adverse impact on resources and reputation.

Does this proposal support the council's three Key Pillars?

Inclusive Growth Health and Wellbeing Climate Emergency

- 11 The Risk Management Policy and Strategy supports each of the council's three pillars. Each pillar has risks that could impact on their achievement and the Policy and Strategy aim to ensure that these risks are identified and managed to prevent their occurrence or to mitigate their impact should they arise.

Options, timescales and measuring success

a) What other options were considered?

- 12 The other options considered prior to settling on a proportionate refresh were:
- Whether a Risk Management Policy and Strategy were still required by the council i.e. to drop them.
 - To continue with existing arrangements i.e. no update required.
 - To produce a more detailed and comprehensive Policy and Strategy.

b) How will success be measured?

- 13 Success in embedding the updated Policy and Strategy will be measured by feedback from risk management reports discussed at council Boards and Committees, in particular Executive Board, Scrutiny Boards, Corporate Governance and Audit Committee, Corporate Leadership Team and Directorate Management Teams. Feedback in the form of surveys will also be obtained from participants taking part in risk management training sessions and risk workshops.

c) What is the timetable for implementation?

- 14 Once approved, the updated Risk Management Policy and Strategy will take immediate effect within the council and will supersede the previous version.

Appendices

- 15 Appendix 1: Risk Management Policy and Strategy document

Background papers

- 16 None