

# Annual Corporate Risk Management Report

Date: 18<sup>th</sup> October 2021

Report of: Head of Democratic Services

Report to: Strategy and Resources Scrutiny 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

- This annual report updates the Strategy and Resources Scrutiny Board on the most significant risks currently on the council's corporate risk register with summary assurances describing the key controls in place to manage the risks and further actions planned, signposting to where more detailed information can be found.
- 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. Strong risk management arrangements are essential to minimise the risks of achieving the ambitions.
- Risk is present in everything we do to improve outcomes and deliver services. Local authorities, our communities and partners experience a wide range of significant risks including: cyber-attacks, adverse weather conditions and safeguarding incidents.
- A corporate risk is something that, if it occurred, could impact on our Best City/Best Council ambitions. It is therefore essential that we understand, manage and communicate the range of risks that could threaten the city and the vital services provided by the council, so that we're better placed to prevent them from happening and to reduce the impact now and in the longer-term on communities, individuals, services, organisations and infrastructure.
- Underpinning the corporate risks are directorate level risks – those that are less strategic and more specific in nature and these are reported to the respective directorate management team. Service level risks, such as those for programmes and major projects are also reported to the relevant service leadership team or project board. The risk management reporting arrangements encourage the escalation of service and directorate risks should they increase in prominence.
- The previous Annual Corporate Risk Management Report was provided to the Strategy and Resources Scrutiny Board in September 2020. Since then, the corporate risk register has continued to be reviewed and updated in accordance with the council's Risk Management Policy and in line with the Best Council Plan outcomes and priorities. Earlier in 2021, the council's Risk Management Policy and Strategy were reviewed and updated.
- The council's Annual Corporate Risk Management Report was reported to the Executive Board during its meeting on 21<sup>st</sup> July 2021. The report is supplemented by the annual assurance report on the authority's risk management arrangements, considered annually by

the council's Corporate Governance and Audit Committee. The assurance report focuses on the policies, procedures, systems and processes in place to manage risks at corporate, directorate, service and project levels and is next scheduled for review by the Committee on 17th December 2021.

## Recommendations

- a) Strategy and Resources Scrutiny Board is asked to note the Annual Risk Management Report and the assurances given on the council's most significant corporate risks in line with the authority's Risk Management Policy.

## Why is the proposal being put forward?

- 1 The annual report seen in Appendix 1 updates the Scrutiny Board on the most significant risks currently on the corporate risk register (their descriptions, risk ratings and the accountable director and portfolio member risk owners) with summary assurances describing the key controls in place to manage the risks and further actions planned, signposting to where more detailed information can be found.
- 2 Alongside the Corporate Risk Management Policy and Strategy, the report provides an opportunity for Scrutiny Board members to consider whether they would benefit from any risk management training, in particular around [the governance risk and resilience framework](#) which aims to support individual council officers and councillors to play their part in identifying, understanding, and acting on, risks to good governance.
- 3 The report will provide a key source of evidence on the authority's risk management arrangements contributing to the Annual Governance Statement to be considered later this year by the Corporate Governance and Audit Committee.

## What impact will this proposal have?

### Wards affected:

Have ward members been consulted?  Yes  No

- 4 The risk information contained in the appendix is provided for Strategy and Resources Scrutiny Board's information.
- 5 This is an assurance report with no decision required, so it is not necessary to conduct an equality impact assessment. However, many of the corporate risks included within the appendix are linked to wider issues of equality and diversity, and cohesion and integration.

## What consultation and engagement has taken place?

- 6 This is an information report and as such does not need to be consulted on with the public. However, summary information on the corporate risks is published on the council's website.
- 7 The corporate risk assurances at Appendix 1 have been subject to consultation with lead officers, the Corporate Leadership Team and portfolio members. The arrangements in place to manage the council's risks are embedded and therefore subject to consultation and engagement on an ongoing basis. Consultation is undertaken as part of risk management best practice, and is in line with the roles and responsibilities set out in the Risk Management Policy and Strategy.

## What are the resource implications?

- 8 All council risks are managed proportionately, factoring in the value for money use of resources. Should any of the corporate risks included in this report arise, there would be significant resource implications for the council.
- 9 Effective risk management arrangements help to avoid costly mistakes from being made and minimising their impact if they happen.

## What are the legal implications?

- 10 The council's risk management arrangements 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 system of internal control, including arrangements for the management of risk, assists the council in effectively exercising its functions.

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

- 11 This report supports the council's Risk Management Policy and Strategy in providing assurances on the management of the authority's most significant risks. The appendix provides details of the key strategic risks facing the council, provides details of how they are being managed along with any further actions required to treat them.

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

Inclusive Growth       Health and Wellbeing       Climate Emergency

- 12 The corporate risks outlined in this report are linked to the three Key Pillars, in particular the risks on Leeds Economic Growth Lag, Health and Safety Failure and Climate Change. Should any of these risks arise, then this would impact on the three Key Pillars.
- 13 As the climate emergency is cross-cutting in nature it is linked to many other corporate risks. Where applicable, the supporting details for these risks - such as the sources, consequences and mitigating actions - reflect aspects of the climate emergency.

## Options, timescales and measuring success

### a) What other options were considered?

- 14 Not applicable

### b) How will success be measured?

- 15 The success of corporate risk management can be measured through the application of the Corporate Risk Management Policy and Strategy.

### c) What is the timetable for implementation?

- 16 The report is for information, so there is no timetable for implementing the recommendations as risk management is a business as usual activity within the council. Should any Scrutiny Board members require risk management training, this can be arranged as soon as possible.

## Appendices

- 17 Appendix 1: Annual Corporate Risk Management Report 2021

## Background papers

18 None