

# Annual Corporate Risk Management Report

Date: 26<sup>th</sup> September 2022

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

## Brief summary

This report updates the Strategy and Resources Scrutiny Board on the most significant risks currently on the council's corporate risk register and includes summary assurances describing the key controls in place to manage the risks, together with any further actions planned, and signposting to where more detailed information can be found.

Members are requested to note that the Annual Corporate Risk Report (seen at Appendix 1) was reviewed by Executive Board at their meeting on 27<sup>th</sup> July 2022. Subsequently, due to the changing nature of the council's risk environment, the rating for the corporate risk on Workforce planning has increased, Nationally, many local authorities are facing challenges around recruiting and retaining staff required to deliver services.

## 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.

## **What is this report about?**

- 1 This annual report updates the Strategy and Resources Scrutiny Board on the most significant risks currently on the council's corporate risk register and includes summary assurances describing the key controls in place to manage the risks, together with any further actions planned, and signposting to where more detailed information can be found. Details of the risk can be seen in Appendix 1.
- 2 Our new Best City Ambition, introduced earlier in 2022, aims to tackle poverty and inequality and improve quality of life for everyone who calls Leeds home. Central to this, focus has been placed on improving outcomes across the Three Pillars of Health and Wellbeing, Inclusive Growth and Zero-Carbon. Linked to the Ambition are a series of shared values and behaviours covering aspects such as ethical behaviour and the staff code of conduct.
- 3 Risk is present in everything we do to improve outcomes and deliver services. Local authorities, our communities and partners face a wide range of significant risks including cyber-attacks, major incidents in the city and safeguarding failures. Currently, national issues such as inflation, the increasing cost of living and the ability to recruit and retain staff are presenting challenges, especially within the context of ongoing budgetary pressures.
- 4 Corporate risks are the most significant, high profile risks facing the council and the city. Many corporate risks are cross-cutting in nature and if they occur, would 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 their impact should they occur, now and in the longer-term, on communities, individuals, services, organisations and infrastructure.
- 5 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 teams. 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 facilitate and encourage the escalation of service and directorate risks should they increase in prominence.
- 6 The previous Annual Corporate Risk Management Report was provided to the Strategy and Resources Scrutiny Board in October 2021. Since then, the corporate risk register has continued to be reviewed and updated in accordance with the council's Risk Management Policy and Strategy.
- 7 The council's Annual Corporate Risk Management Report was reported to the Executive Board during its meeting on 27<sup>th</sup> July 2022. This 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 28<sup>th</sup> November 2022.

## **What impact will this proposal have?**

- 8 The risk information contained in the appendix is provided for Strategy and Resources Scrutiny Board's information.
- 9 This is an assurance report with no decision required, so it is not necessary to conduct an equality impact assessment.

## How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing

Inclusive Growth

Zero Carbon

10 Should any of the corporate risks arise, then this could impact on the achievement one or more of the Pillars. Strong risk management arrangements are essential to minimise the risk of failing to achieve the ambition and outcomes.

## What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted?

Yes

No

- 11 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.
- 12 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 in line with the roles and responsibilities set out in the Risk Management Policy and Strategy.
- 13 The corporate risk assurances at Appendix 1 have been subject to consultation with lead officers, the Corporate Leadership Team and portfolio members. The consultation allowed stakeholders to consider whether the items on the corporate risk register were up to date, and adequately described and rated. This consultation also provided an opportunity to identify any potential new risks for the register.
- 14 The decision making template for Committee and Executive Board reports require authors to outline key risk management issues as part of the mandatory 'What are the key risks and how are they being managed?' section. This ensures that Elected Members are sighted of key risks when making decisions.

## What are the resource implications?

- 15 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.
- 16 Effective risk management arrangements help to avoid costly mistakes from being made and to minimise their impact should they occur.

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

- 17 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, how they are being managed and any further actions required to treat them.

## What are the legal implications?

- 18 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 into 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.

## **Options, timescales and measuring success**

### **What other options were considered?**

19 Options considered for this report ranged from reporting a basic summary of the corporate risk register (risk title, owner and rating) to a full report containing the detailed risk profiles of every corporate risk. This report took a proportionate view and included both a map of the corporate risks and summary risk assurances for the risks that are 'standing' or rated as being very high. Should members require additional details of the corporate risks, these can be made available on request.

### **How will success be measured?**

20 Not applicable

### **What is the timetable and who will be responsible for implementation?**

21 Not applicable

## **Appendices**

- Appendix 1: Annual Corporate Risk Management Report 2022.

## **Background papers**

- None