

Rother District Council

Report to: Audit and Standards Committee

Date: 2 October 2023

Title: Risk Management Update

Report of: Anna Evett, Corporate Programme, Risk & Improvement Manager

Purpose of Report: To consider the updated Corporate Risk Register and review the Risk Management Policy and risk appetite (contained within the Policy).

Officer

Recommendation(s): It be **RESOLVED**: That:

- 1) the report be noted; and
 - 2) the Risk Management Policy updated in line with the recommendations contained in the report.
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Introduction

1. This report provides a position update on Risk Management processes and the key strategic risks currently facing the Council.
2. Risk refers to the uncertainty that surrounds future events and outcomes. It is essential that the Council adopts a strong approach to risk management to ensure good governance, especially given the current backdrop of significant financial pressures.
3. The Corporate Programme, Risk and Improvement Manager is now responsible for facilitating all strategic risk management activity, including maintaining the Risk Management Policy and collating and reporting on updates to the Corporate Risk Register. The responsibility for identifying and managing risks, however, remains with Senior Management.

Risk Management Policy

4. A new Risk Management Policy (Appendix B) was approved by this Committee in September 2022 (Minute AS22/27 refers).
5. This policy should be reviewed on an annual basis and the risk appetite statements within it should be revisited and amended each year (where appropriate) to ensure that they continue to meet the Council's requirements.
6. The Senior Management Team has reviewed the Policy and recommends amendments to the risk appetite (target) scores as follows:
7. **Environmental/Climate Change** – risk appetite is currently Minimal/Low risk with a target score of 3-4. The target score has been exceeded since the Policy

was approved in September 2022 and seems to be too low. The proposal is to amend this to Low/Medium risk with a target score of 3-10.

8. The associated **Risk Appetite Statement** (Appendix 3, page 13 of the Policy) to be amended as follows (changes in italics): In some circumstances, we are prepared to accept a risk of increasing our environmental impact or delays to our strategic objectives in this area where there is a clear, demonstrable benefit of increased social value, cost savings or revenue that is essential to the Council *and to be open to innovation and initiatives which are proven to work.*
9. There is one small amendment needed to Section 9 **Responsibility and Reporting** section of the policy at 9.5 to reflect the change in responsibility of the Risk Management Coordinator from Audit Manager to Corporate Programme, Risk and Improvement Manager

Corporate Risk Register

10. The Corporate Risk Register (CRR) (Appendix A) has been reviewed and updated by the Corporate Management Team. No changes to the format of the risk register have been made.
11. Several existing risks have been amended as stated on the register, most notably:
 - a. Risk 4 – Economic/Financial – *Failure to operate within a sustainable budget.* The score has increased from 12 to 20 and exceeds the risk appetite. This reflects the financial pressures facing the Council even with the current mitigations in place and planned. This risk will be closely monitored to assess whether the mitigations are reducing the level of risk.
 - b. Risk 11 – Political – *National fuel shortage*, de-escalate but monitor as the risk score has decreased.
 - c. Risk 14 – Partnership/Contractual – *Failure of a neighbouring authority or partner.* This risk has increased from 9 to 12 and reflects the problems facing one of our close neighbour authorities.
12. Two new risks have been added to the register at numbers 17 and 18. Both these risks concern partner organisations.

Service Based Risk Registers

13. Service Plans have recently been introduced which require all Heads of Service / Service Managers to record and monitor their operational risks in a risk register. The Service based risks are reviewed by the Senior Leadership Team and form part of the new draft Performance Framework and will be monitored at the new Performance Boards. These internal, Senior Leadership Team led Boards meet quarterly to monitor all aspects of performance with a particular emphasis on risk. This should improve the identification and mitigation of the day-to-day risks in the service areas.

Conclusion

14. The CRR has been reviewed and the latest version is included for Members' consideration.

Risk Management

15. The failure to adequately monitor and respond to an ever-changing risk environment could have serious negative consequences for the Council.

Other Implications	Applies?	Other Implications	Applies?
Human Rights	No	Equalities and Diversity	No
Crime and Disorder	No	External Consultation	No
Environmental	No	Access to Information	No
Risk Management	Yes	Exempt from publication	No

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Appendices:	A – Corporate Risk Register B – Risk Management Policy
Relevant Previous Minutes:	AS22/27
Background Papers:	None.
Reference Documents:	None.