

SLOUGH BOROUGH COUNCIL

Report To: Audit and Corporate Governance Committee

Date: 22 November 2023

Subject: Risk Management Strategy

Chief Officer: Adele Taylor – Executive Director of Finance and Commercial (S151)

Contact Officer: Phillip Watkins, Interim Risk, and Insurance Manager

Ward(s): All

Exempt: No

Appendices: Appendix 'A' – Draft Risk Management Strategy

Executive Summary:

1. Summary and Recommendations

- 1.1 This report seeks Members comments on Slough Borough Council's new draft Risk Management Strategy which is attached as Appendix A. The document sets out the Council's strategy and approach to the management of risk and demonstrates its intention to continue to develop the maturity of Enterprise Risk Management (ERM) across the organisation during 2023/24 and beyond to support the delivery of the Council's Strategic Priorities and Outcomes.

Recommendations:

The Audit and Corporate Governance Committee is recommended to:

- (a) Comment on and endorse the proposed Risk Management Strategy for 2023/24 which incorporates:
- i. Revised likelihood measures.
 - ii. A quadrant-based system of risk treat allocation.
 - iii. An outcome orientated approach to defining risk.
 - iv. Pursuance of a systemised solution to the recording and management of risks.
- (b) Recommend the Risk Management Strategy to Cabinet for approval.

Reason:

Risk is inherent in all activities across the Council and risk management is an integral part of the Council's corporate governance arrangements. Managing risk improves the way we do business. It plays a key role in helping achieve our strategic objectives. It helps ensure decision making is better informed, precious resources are used efficiently and effectively and helps avoid unwelcome surprises. Good risk management is a key part of our everyday business.

The Committee is responsible for monitoring the effective development and operation of risk management in the Council and to monitor progress in addressing risk-related issues reported to the Committee.

The new strategy is intended to:

- i. support greater accuracy in defining the expected occurrence of incidents/risks.
- ii. supports officers in steering their risk mitigation efforts based upon severity and likelihood of risks.
- iii. supports the Council to understand the desired outcome for each identified risk.
- iv. streamline processes and support interactive analysis of risks and key risk indicators.

Commissioner Review

Commissioners have reviewed the report and made no comments.

2. Report

Introduction

- 2.1 Risk is a part of all our lives. Slough Borough Council deals with risk every day from managing its infrastructure, delivering its services, managing its supply chains, maintaining the safety and security of its staff and residents, and delivering on a wide range of projects including its corporate objectives. Risk can cause uncertainty in achieving business objectives but can also present opportunities.
- 2.2 The Council recognises that risk management is a journey and to be effective it must be characterised by a set of consistent principles, language, framework and processes. In order to achieve its strategic outcomes and objectives. The Council is committed to proactively managing its risks in a systematic way.
- 2.3 The Committee is being asked to review the strategy and recommend its approval to Cabinet. This includes a policy statement signing the Council up to the following cultural statements regarding risk:
 - Slough Borough Council promotes a transparent 'no surprises', 'no blame' culture where well managed risk taking is encouraged, and learning from the risk management experience is key to a healthy culture
 - Councillors and managers will lead by example to encourage the right behaviours and values
 - Risk management behaviours and practices will be embedded into all Council activities including those with partners, contractors, and arms-length organisations such as the Children's Company.
- 2.4 The strategy sets out the Council's commitment to managing risk effectively across its business, and the standard of risk management expected across the organisation.

- 2.5 In order to maximise the effectiveness of our risk management arrangements we will ensure:
- an environment that will allow the effective management of risk to flourish
 - our people have the skills and knowledge they need to fulfil their risk management responsibilities; and
 - there is a commitment from the highest level to the consistent application of the agreed risk management approach across the organisation.
- 2.6 Effective risk management identifies what might go wrong, what the potential consequences could be, and how to stop the risk being realised, or its impact should the risk materialise. Our goal is to minimise the probability of unwelcomed events where we can and reduce negative consequences of risk scenarios. This is achieved by developing mitigations and contingencies. Risk management also covers opportunities, defined as uncertain events where the positive impact of seizing the opportunity outweighs the status quo.
- 2.7 When implemented and maintained, the effective management of risk enables the organisation to:
- increase the likelihood of achieving its goals and delivering outcomes
 - improve the identification of opportunities and threats
 - improve governance, stakeholder confidence and trust
 - establish a reliable basis for decision making and planning
 - effectively allocate and use resources for risk treatment
 - improve organisational resilience.
- 2.8 It is the role of the Risk and Insurance Team within the Council to provide support, guidance, professional advice and the necessary tools and techniques to enable the organisation to take control of the risks that threaten delivery. It is however everybody's responsibility to manage risk wherever they work in the organisation.
- 2.9 The work of the team will be directed to implement the achievement of the following risk management objectives:
- align the Council's culture with the risk management framework
 - integrate and embed the risk management framework across the Council
 - enable the Council to recognise and manage the risks it faces
 - improve risk awareness so the Council is better placed to avoid threats and take advantage of opportunities
 - minimise the cost of risk
 - anticipate and respond to emerging risks, internal and external influences and a changing operating environment
 - implement a consistent method of measuring risk.
- 2.10 The implementation of the new Risk Management Strategy will assist the Council to:
- reduce risks
 - enhance our processes
 - improve effectiveness of partnerships including realisation of anticipated benefits
 - maximise opportunities

- improve governance and stakeholder trust
- support the delivery of the Council's Corporate Plan and objectives

2.11 The risk management strategy will be approved by Cabinet, following a review by this Committee

3 Implications of the Recommendation

3.1 Financial implications

3.1.1 There are no direct financial implications from this report. However, having sound risk management arrangements are essential to financial management of any organisation to mitigate and minimise risks where possible. The balance of resources that are used to prevent the occurrence of risks and the financial consequences of not taking appropriate action have to be carefully considered to ensure best value is maintained.

3.2 Legal implications

3.2.2 The Council's Policy Statement on Corporate Governance is contained in the Constitution and emphasises the importance of effective risk management. This is particularly relevant in relation to Principle F - Managing risks and performance through robust internal control and strong public financial management.

3.3 Risk management implications

3.3.1 This strategy sets out the Council's commitment to managing risk effectively across its business, and the standard of risk management expected across the organization.

- Risks are not identified.
- Actions are not planned, and progress reported.
- Members are not made aware of the serious risks facing the Council.

3.4 Environmental implications

3.4.1 There are no direct environmental implications in this report.

3.5 Equality implications

3.5.1 Section 149 of the Equality Act 2010 requires public bodies to have due regard to the need to:

- eliminate unlawful discrimination, harassment, victimisation, and any other conduct prohibited by the Act.
- advance equality of opportunity between people who share a protected characteristic and people who do not share it; and
- foster good relations between people who share a protected character.

3.5.2 There are no specific equality implications arising directly from this report, although risks relating to Equality and diversity issues should be managed through the application of this strategy.

4. Background Papers

None.