

Report to Audit and Risk Assurance Committee

11 February 2021

Subject:	COVID-19 and Strategic Risk Register Update
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1 Recommendations







- 1.1 That the Audit and Risk Assurance Committee (ARAC) review and comment upon the accompanying report which sets out the impact that Covid 19 is having on the key risks faced by the council.

2 Reasons for Recommendations

- 2.1 Effective risk management is a key element of good corporate governance, as noted in the council's [Code of Corporate Governance](#), and is essential to the overall performance of the council in meeting its corporate plan objectives. Good risk management will ensure that resources are used efficiently and effectively and that assets and resources are protected against risk in the most efficient way.
- 2.2 The role of the ARAC is to provide assurance to the Council that it has a system of governance, risk management and internal control in place and that the adequacy and effectiveness of these arrangements continue to inform decision making throughout the emergency and recovery period.

3 How does this deliver objectives of the Corporate Plan?



	Best start in life for children and young people
	People live well and age well
	Strong resilient communities
	Quality homes in thriving neighbourhoods
	A strong and inclusive economy
	A connected and accessible Sandwell

4 Context and Key Issues

- 4.1 This report updates members of the Committee on the profile of the key risks currently faced by the Council and the actions that have been taken and further actions that may be required to mitigate these risks, since they were last reported in September 2020.
- 4.2 The risk register is a live document and reflects the Council risk profile position at the time of preparing this report in January 2021. However, given the constantly evolving nature of the pandemic and fluidity of central government directives and decisions, the risks require ongoing review to ensure they remain appropriate and are correctly assessed in order to aid informed decision making and resource allocation. As such, the risk profile at the time of presentation to the Committee may be different to that reported here, and a verbal update will be provided at the meeting on any significant changes.
- 4.3 The review and update of each strategic risk, has been discussed with the risk owners and reported to the Leadership Team.
- 4.4 Since last reported to the Committee, the Covid 19 risk register has been updated to reflect the impact of Brexit. The combined Covid 19 and Brexit risk register details the measures being taken to manage the risks and impacts of these events.



- 4.5 The risk register at Appendix B currently includes 13 strategic risks- seven red risks and six risks assessed as amber. Mitigating actions continue to be implemented and are monitored by risk owners to ensure that risks are reduced to acceptable levels.
- 4.6 Risk 4c (demand for children’s social care, risk 27 (funding and resource allocation) and risk 52 (Better Care Fund and Public Health grant) are all red risks relating to central government financing of local government services, over which the council has little control and scope to mitigate. The council continues to lobby central government to:
- Address the national crisis in funding the children’s social care services that has arisen due to unprecedented increase in the number of children in the social care system.
 - Put in place a long term funding settlement for local government that provides adequate funding and allows councils to plan effectively for the future without the instability created by one year funding settlements.
 - Deliver on the long term commitment to put in place a national solution to the funding of adult social care and public health services.

5 Alternative Options

- 5.1 Whilst this report does not require a decision and therefore, alternative options do not need to be considered, when measures are being considered for the mitigation of each of the strategic risks, this takes into account any alternative options available.

6 Implications

Resources:	Due to the pandemic, the identification and management of risks does not align to the budget planning that was undertaken for 2020/21. The authority’s budget planning process is being reviewed to take account, as far as is practicable, the future impact of the pandemic to ensure that limited resources are appropriately allocated in light of the pandemic, to the reset and recovery plan for Sandwell and any new emerging priorities. However, given the
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	<p>global fluidity of the situation, there is a likelihood that the 2021/22 budget once approved, and budgeted staff resource allocation may not either fully align to the identification and management of risk, as new risks could emerge that require prioritisation.</p>
Legal and Governance:	<p>There are numerous standards applicable to the management of risk within the local authority sector. Included amongst these is guidance from CIPFA/Solace, the British Standards Institute (BSI) and a set of joint standards published by the Institute of Risk Management (IRM), Alarm (The public sector risk management association) and AIRMIC (Association of Risk Managers in Industry and Commerce). Evidence that robust management of the authority's strategic risks is being undertaken demonstrates compliance with these standards. The management of COVID related risks will also take into account central government directives and regulatory guidance to ensure these are complied with.</p>
Risk:	<p>The report itself is an update of the key risks facing the council.</p>
Equality:	<p>As a decision is not being sought in this report, it is not necessary to undertake an Equality Impact Assessment. However, when measures and decisions are being considered for the mitigation of risks, this will take into account any equalities impact and whether an equalities impact assessment is required. For example, in terms of the COVID-19 risks in respect of health, wellbeing and life, particular attention is being given to vulnerable people, those shielding and the Black, Asian and Minority Ethnic (BAME) members of our community who are experiencing a significantly greater impact of COVID-19, to ensure the mitigating strategies adopted are robust and appropriate in managing this element of the risk.</p>
Health and Wellbeing:	<p>The management of the COVID related risks take into account the implications on health and wellbeing of our communities.</p>



Social Value	The actions and decisions that are being considered for the mitigation of the strategic risks, will take into account the meeting of the council's social value commitments.
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7. Appendices

Appendix A – Covid 19 risk register summary as at January 2021
Appendix B – Strategic risk register summary as at January 2021

8. Background Papers

None

