

Audit and Risk Assurance Committee

29 September 2022

Subject:	Strategic Risk Register Update Report
Director:	Director of Finance Simone Hines
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1 Recommendations







- 1.1 To note and comment on the strategic risks prior to reporting to Cabinet on 28 September 2022.

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
	The report details the key strategic risks that need to be managed to ensure that they do not negatively impact on the delivery of the Corporate Plan objectives.
	
	
	

4 Context and Key Issues

- 4.1 This report updates the Committee on the profile of the key risks currently faced by the Council since they were last reported in June 2022.
- 4.2 The risk register is a live document and reflects the Council's risk profile at the time of preparing this report in August 2022. The risks undergo ongoing review to ensure they remain appropriate and are assessed in order to aid informed decision making and resource allocation.
- 4.3 The Strategic risk register does not include all of the risks faced by the Council. Other risks are captured within directorate, programme and project risk registers in line with the Council's risk management framework.
- 4.4 The review and assessment of each strategic risk, has been discussed with the risk owners and discussed with the Leadership Team and Cabinet Members. A summary of the strategic risk register is included at appendix A. The following changes are noted since the last update to the Committee:



- Risk 4 – Children’s Social Care has reduced from 12 (red) to 8 (amber) following the publication of the recent Ofsted report on the Inspection of Local Authority Children’s Services in Sandwell, which took place in May 2022. This reported a judgement of the service moving from an assessment of ‘Inadequate’ to one of ‘Requiring Improvement’. The report highlights areas of positive change but also notes further work which needs to take place to improve practice and outcomes for vulnerable children and their families.
- Risk 6a- Emergency Preparedness has reduced to green. The risk is deemed to be low as emergency Plans are in place and regularly reviewed for the identified risks.
- Risks 27 and 27b – Medium Term Financial Plan and Budget Management 2022/23 have increased from 12 (red) to 16 (red) and from 8 (amber) to 12 (red) respectively, as a result of the impact of the current and forecast levels of inflation on the council’s finances.
- Risk 54- Special Educational Needs and Disabilities Transport has also reduced from 12 (red) to 8 (amber), following the successful completion of the procurement for SEND transport. The residual risk reflects the budget pressure to ensure that any overspends are managed.
- Risk 56a – Towns Fund Programme phase 2- this is a new risk which reflects the next phase / delivery phase of the programme following the ministerial decisions in respect of the funding that has now been secured.
- Risks 60 – Health and Safety continues to be assessed as green. As such, this risk has been de-escalated from the strategic risk register to the appropriate directorate register.
- Risk 63a – Establishment of a Local Authority Trading Company (LATC) to Manage Nine of the Council’s Leisure Centres – this is a new risk reflecting the decision made by Cabinet to secure the delivery of a sustainable leisure model in the form of a separate LATC, once the current arrangement with Sandwell Leisure Trust comes to an end in May 2023.



- Risk 64 – Workforce Recruitment and Retention – this is a new risk which reflects the regional and national picture of workforce recruitment and retention challenges in certain specific employment sectors.
- A new risk – risk 065 in respect of inflation and the impact of this on the cost of living for residents and the demand for council services has been highlighted and identified as a separate risk in the strategic risk register.

4.5 An update on these risks, including the measures in place to mitigate them are included within appendix A.

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:	The authority's budget planning process incorporates financial and other resources required to manage the authority's risks and deliver the priorities within the corporate plan.
Legal and Governance:	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.



Risk:	The report itself is an update of the key risks facing the Council.
Equality:	<p>As a decision is not being sought in this report, it is not necessary to undertake an Equality Impact Assessment.</p> <p>However, when measures and decisions are being considered for the mitigation of risks, risk owners must take into account any equalities impact and whether an equalities impact assessment is required. The Council recognises that its workforce is instrumental in assisting the organisation in managing the strategic risks noted within this report (as set out in Appendix A) and thereby delivering the Council's priorities. As such, the Council must ensure that equalities implications and how they affect the workforce as well as the wider community are considered and underpin all decisions and risk mitigating actions.</p>
Health and Wellbeing:	The management of risk takes into account where appropriate, the implications on health and wellbeing of our communities.
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.

7. Appendices

Appendix A – Strategic risk register summary as at August 2022

8. Background Papers

None

