

Audit and Risk Assurance Committee

16 March 2023

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

1.1 To receive and comment on the Strategic Risk Register Update.







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.



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 strategic risks currently faced by the Council since they were last reported in September 2022.
- 4.2 The strategic risk register is a live document and reflects the Council's risk profile at the time of preparing this report in January 2023. 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 of the register to the Committee:



- The reduction in risks 27 and 27a -MTFS and Future Government Policies and Funding Sources, from 16 (red) to 8 (amber) as a result of the local government settlement which confirmed that business rates reset and fair funding would not happen in this Parliament, which was a big risk in the MTFS. Also, the adult social care reform has been deferred which was another key risk.
- The risk assessment for risk 27b- Budget Monitoring and Management has been split into two. This is to reflect the fact that the council does have in place effective arrangements to monitor and manage the current year's budget (assessment of amber). Nevertheless, the achievement of the planned savings and efficiencies to manage the budget and any overspends is likely to continue to remain a significant challenge for the council for the foreseeable future, hence an assessment of this element of the risk as red.
- A review and update of risk 42a- Cyber Security with a focus on the risk being investment in cyber security.
- A reduction in risk 53- Oracle e Business Suite from 12 (red) to 8 (amber) as a result of the review and reset of this programme.
- Removal of risk 54- SEND to the directorate register as a result of the completion of the procurement of the contracts in 2022.
- Removal of risk 57- New Operating Model, which focussed on embedding the hybrid and flexible working model and had been assessed as green for some time.
- Escalation from the directorate register of risk 57b – Customer Journey, which is assessed as red, given the priority this has within the corporate plan and the transformation plan.
- A reduction in risk 61- Partner Organisations Contract Service Delivery, from 12 (red) to 8 (amber) as a result of the work done in respect of the contract with the SCT and SLT and the progress being made on the Serco contract.
- Escalation from the directorate register of risk 66- Borough Archives which is assessed as red.
- Escalation from the directorate register of risk 67 – Elections Act, which is assessed as red as a result of the extensive work required to manage Voter ID process for the successful delivery of the May 2023 elections.
- Escalation from the directorate register of risk 68 – Sandwell Local Plan as a result of the halting of the Black Country Plan not being agreed. The work which has commenced to prepare the Sandwell



Local Plan has enabled a reduction in the risk from 16 (red) to 8 (amber).

- Escalation from the directorate register of risk 69 – Adult Social Care Market Sustainability which is currently assessed as 16 (red) due to the Fair Cost of Care exercise.
- Escalation of risk 70 – Organisational Culture from the Improvement Plan Risk Register, which is assessed as amber.

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

5 Alternative Options

5 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:	As a decision is not being sought in this report, it is not necessary to undertake an Equality Impact Assessment.



	<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:	<p>The management of risk takes into account where appropriate, the implications on health and wellbeing of our communities.</p>
Social Value	<p>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.</p>
Climate Change	<p>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 climate change commitments.</p>

7. Appendices

Appendix A – Strategic risk register summary as at January 2023

8. Background Papers

None

