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Royal Borough
of Windsor &
Maidenhead

AUDIT AND GOVERNANCE COMMITTEE

MONDAY, 9TH NOVEMBER, 2020

At 6.15 pm

by

VIRTUAL MEETING - ONLINE ACCESS ON RBWM YOUTUBE

SUPPLEMENTARY AGENDA

PART I

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Report Title:	**RBWM risk management report**
Contains Confidential or Exempt Information?	No - Part I
Lead Member:	Councillor Hilton, Lead Member for Finance and Ascot
Meeting and Date:	Audit and Governance Committee 9 November 2020.
Responsible Officer(s):	Andrew Vallance, Head of Finance/ Deputy S151 Officer
Wards affected:	All

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Royal Borough of Windsor & Maidenhead

REPORT SUMMARY

1. This report sets out how satisfactory risk management is in place for RBWM as part of its governance arrangements.
2. It includes:
   - the key strategic risks and how they are monitored and managed.
   - RBWM's "approach to management of risk 1 April 2020 – 31 March 2021".

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1. **DETAILS OF RECOMMENDATION(S)**

   RECOMMENDATION: That the Audit and Governance Committee notes the report.

2. **REASON(S) FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED**

   Options

   Table 1: Options arising from this report

Option	Comments
To note this report. **This is the recommended option.**	The Council is required to publish an annual governance statement in which a central requirement is to demonstrate how it manages risk.
To not note this report. This is not recommended.	Without a risk management framework the council may be exposed to the impact of unnecessary levels of or avoidable risks by not focussing resources where they are not needed.

2.1 Risk management is a governance process open to scrutiny from councillors and the public at the Council's Audit and Governance Committee meetings.

2.2 If the Council makes sound use of risk management processes it supports good performance and effective service delivery to residents.

2.3 The corporate risk register records the risks relating to the Council's objectives. The purpose of risk analysis is to help decision-makers get a

better feel for a realistic range of possibilities, what drives that uncertainty and hence where efforts can be focussed to manage this uncertainty.

2.4   The risk registers are pertinent to the point in time at which they are produced and require free thinking by those who put them together. Anything that could inhibit the way in which such risks are expressed would weaken the quality of decision making when determining the most appropriate response to a risk.

2.5   Risks potentially carrying the most damaging impacts are classified as key risks. However, the inclusion of risks within any level of risk register does not inevitably mean there is a problem – what it signifies is that officers are aware of potential risks and have devised strategies for the implementation of mitigating controls.

2.6   Appendix A contains a current summary of the key risks. These risks were last presented to members at the meeting of the Corporate Services Overview and Scrutiny panel on 9th September 2019 (the committee structure has now been changed and the responsibility for risk management is part of the newly formed Audit and Governance committee during 2020/21). Since that report one risk has been removed and two added to the key risk registers:

2.6.1   Removed: waste collection as a procurement risk. The delivery risk is with the appointed contractor so this element would be picked up as part of contract management risk. However we continue to note on the risk register that the reputation risk for satisfactory waste collection is going to fall upon the council.

2.6.2   Added: the cost of children transitioning to adult social services – the operation of this service is a joint responsibility of Optalis and Achieving for Children but the risk, and in particular the most realistic worst case financial exposure, remains with the council.

2.6.3   Added: the current novel coronavirus outbreak presents a significant challenge for the country and local authorities. There are risks involved in the decisions of how the Council deals with the immediate impacts on the organisation itself, residents and partners as well as going forward in the recovery phase.

2.7   Members are regularly notified of the key risks where named as the risk owner either by direct information from the risk and insurance manager or as part of lead member briefings. Officer risk owners are tasked with ensuring that any comments by members are reflected in the assessment.

2.8   Risk reports are reviewed and debated by senior management. If risks are considered to be of such low impact that there is little reason that ongoing monitoring is beneficial then they are removed from the risk register.

3. KEY IMPLICATIONS

Table 2: Key Implications

Outcome	Unmet	Met	Exceeded	Significantly Exceeded	Date of delivery
Lead officers and Members are engaged in quarterly risk reviews of the risk register - the nature of the threat and the progress on mitigations.	Risks are left without officer or Member attention.	Quarterly reviews.	Risks are reviewed more frequently than quarterly.	None-	Ongoing by quarterly review.
Officers and Members make strategic, operational and investment decisions around projects with the risks in mind.	Risks are left without officer or Member attention.	Monthly reviews.	Risks are reviewed more frequently than monthly.	None.	Ongoing until conclusion as part of project management.

4. FINANCIAL DETAILS / VALUE FOR MONEY

4.1 No direct financial implications. Any resources for mitigations would need to be considered as part of ongoing financial management arrangements

5. LEGAL IMPLICATIONS

5.1 There are potential legal implications should a risk occur which the council that is not prepared for. The purpose of risk management is to provide awareness of these so that management can make a risk based judgement.

5.2 The council must comply with regulations[1] by publishing an annual governance statement which demonstrates how it manages risk.

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[1] Regulation 6(2) of the Accounts and Audit Regulations 2015

6.   RISK MANAGEMENT

Table 3: Impact of risk and mitigation

Risks	Uncontrolled risk	Controls	Controlled risk
The council fails to make good use of risk management processes. Risk register ref: IRM0003 Management and Members have insufficient awareness of those risks which carry the potential to severely damage the organisation and affect residents.	HIGH	• Risks are reviewed by risk owners, the senior management team and members. • The Audit and Governance Committee provides a mechanism for examination of the process.	LOW

7.   POTENTIAL IMPACTS

7.1   Equalities. None directly although some individual risks may contain obligations.

7.2   Climate change/sustainability. None directly although some individual risks may contain associated obligations.

7.3   Data Protection/GDPR. None directly although some individual risks may contain obligations.

8.   CONSULTATION

8.1   Consultations have taken place with the former Corporate Overview and Scrutiny Panel, corporate leadership team, heads of service and the shared audit and investigation service.

9.   APPENDICES

9.1   This report is supported by three appendices:
   • A – heat map showing assessment of current key risk impact/likelihoods
   • B – detail supporting the key strategic risk element of appendix A.

- C - approach to management of risk 1 April 20 – 31 March 21. This document has three appendices:
  - 1 – impact/likelihood scoring criteria.
  - 2 – risk classifications.
  - 3 – risk appetite definitions.

10. BACKGROUND DOCUMENTS

10.1 This report is not supported by any background documents.

11. CONSULTATION (MANDATORY)

Name of consultee	Post held	Date sent	Date returned
Cllr Hilton	Lead Member for Finance and Ascot	29/10/20	29/10/20
Duncan Sharkey	Managing Director	29/10/20	
Russell O'Keefe	Director of Place	29/10/20	
Adele Taylor	Director of Resources/S151 Officer	09/10/20	29/10/20
Kevin McDaniel	Director of Children's Services	29/10/20	29/10/20
Hilary Hall	Director Adults, Health and Commissioning	29/10/20	29/10/20
Andrew Vallance	Head of Finance/S151 Officer	09/10/20	
Elaine Browne	Head of Law	29/10/20	
Mary Severin	Monitoring Officer	29/10/20	30/10/20
Nikki Craig	Head of HR, Corporate Projects and IT	29/10/20	29/10/20
Louisa Dean	Communications	29/10/20	
Karen Shepherd	Head of Governance	29/10/20	29/10/20

REPORT HISTORY

Decision type:	Urgency item?	To Follow item?
For information	No	No
Report Author: Steve Mappley, insurance and risk manager		

Appendix A
Key risk summary as at 26/10/2020

JCAD

Probability

	1 Minor	2 Moderate	3 Major	4 Extreme
4 Very Likely				Financial strategy
3 Likely			Critical incident response HMO inspections Data breach Children's safeguarding	Maidenhead regen Childrens/adults transitions Brexit implications
2 Unlikely		Flooding response Adult safeguarding School buildings hazards School improvements	Data security Tree safety Borough local plan Hospital discharges Adult social care Flooding vulnerability IT infrastructure	Building safety Fire safety Security Better care fund Pension funding Coronavirus
1 Very Unlikely			CTax billing process S106 monies	Commissioned services

Impact

Detailed Risk Information

Current Risk Rating	Risk Ref	Summary	Assigned To	Review Date
16	HOF0006	**Financial strategy** The council's financial strategy is not effective in dealing with pressures and service savings are not delivered as promised. Confidence level: highly dependent on progress on the COVID-19 pandemic.	Andrew Vallance	13/01/2021

Detailed Risk Information

Current Risk Rating	Risk Ref	Summary	Assigned To	Review Date
12	CORP0002	**Maidenhead regen** 1. There is a risk that we do not get the capital receipts we are anticipating to fund the various schemes we are using borrowing to initially progress. 2. Changes in the economy, particularly influenced by Covid-19, could affect the benefits that can be realised e.g. a loss of consumer confidence and rising build costs would affect the financial viability of schemes and could result in stalled development. 3. Ensuring effective join up of sites and infrastructure delivery. Projects could be stalled, if land receipts are to be maintained, and economic recovery anticipated.	Russell O'Keefe	01/01/2021
12	HSG0006	**Children's to Adults transition** 1. Lack of early planning in children's services potentially leads to children and young people with high needs who will need to transition to adult services not being identified and their costs are not built into future planning/Medium Term Financial Strategy. 2. Lack of a sufficient accommodation and supported employment offer locally leads to young people being placed out of borough in expensive placements leading to higher costs and loss of contact with their local communities.	Hilary Hall and Kevin McDaniel	21/11/2020

Detailed Risk Information

Current Risk Rating	Risk Ref	Summary	Assigned To	Review Date
12	RBWM0015	**Brexit implications**	CLT	19/11/2020

Brexit implications

This Brexit risk focuses on the ability of the council services to prepare for the UK departure from the EU. The UK is in a transition period until 31 December 2020. The EU and UK have been attempting to agree a permanent trade deal, allowing trade to continue from 1 January 2021

If there is no deal, the UK will likely trade with the EU under the basic rules set by the World Trade Organization. Negotiators are trying to come to an agreement by mid-October in order to provide time for it to be ratified by year-end.

Businesses and public bodies would have to respond to changes as result of leaving the EU. Without knowing what the future relationship with the EU will look like, this uncertainty makes it very difficult for businesses to make plans. Additionally, the proposed UK internal market bill which the government say will breach international law is causing concern for future trading relationships with the EU and the USA in particular.

Potential impacts depending on the nature of the negotiations at the deadline include:

- Inflation, increased regulation and uncertainty could affect the council's tenders i.e. less bidders or rising costs for services.
- There is a risk that a complete failure in supply e.g. Carillion from key suppliers could be felt.
- Resilience of contracted services / workforce. For care homes, if providers struggle with workforce resilience there could be higher demands on statutory services.
- Any post-Brexit arrangement that results in greater friction around data transfers between the UK and the EU could present problems. Office 365 and Microsoft Azure presently host data for us in Europe. Our IT Helpdesk is hosted in Germany.
- SMEs will likely be the least resilient in the event of any economic downturn which could increase the take up of revenue and benefits services, housing advice, financial assistance if this impacts families/individuals.
- In the event of higher demands on public services, front facing services in particular may find difficulty in providing the quality and speed of customer provision based on current resource levels.
- Transition period instability could result in increased need for signposting; e.g. elections/voting information/issues around settled status.
- Increases in anti-social behaviour e.g. if the government were to compromise on the question of EU citizens' access to the UK labour market in order to secure a trade deal, there is potential for a voter backlash on immigration, with worrying implications for community cohesion.
- There could be a risk to delay in the projected timetable of regeneration if there is a
skills/workforce shortage in the construction industry

Current Risk Rating	Risk Ref	Summary	Assigned To	Review Date
9	CMT0040	**Critical incident response**	David Scott	13/04/2021

Critical incident response

Insufficient local community resilience which could lead to residents being without the necessary assistance and increased financial impact on RBWM should a critical event occur.

Underdeveloped and untested business continuity planning may reduce the ability of the council to provide critical functions in the event of emergency situation.

Avoid single officer point of failure to fulfil duties under Civil Contingencies Act.

Detailed Risk Information

Current Risk Rating	Risk Ref	Summary	Assigned To	Review Date
9	ENFOR0002	**HMO inspections** Failure to meet statutory obligations around HMO inspections. The council is responsible for inspecting and monitoring the standard of houses in multiple occupation.	Tracy Hendren	21/11/2020
9	FOI0006	**Data protection failure** Statutory breach arising from non-compliance with the Data Protection Act 2018 and the General Data Protection Regulation 2016 leads to reputation damage e.g. naming and shaming and fines potentially up to €20m (that level of fine is unlikely to be applied to a local authority although low 6 figure fines from the ICO in that regard have occurred) as well as legal action costs following judicial remedies. Non-compliance can only be identified if a breach actually occurs. The type of information breach is key - only if significant harm is likely to arise from the breach are fines expected to be punitive. Regulators can also issue enforcement action in the form of temporary or permanent bans on processing. Confidence level in accuracy of current risk assessment: medium.	Karen Shepherd	01/01/2021
9	SSS0011	**Children's safeguarding** Safeguarding failure. Nationally increasing levels of demand are putting pressure on all elements of the service. Lack of intelligence around unknown risk areas e.g. trafficking, child sexual exploitation and County Lines could lead to major preventable injuries occurring. There is particular focus at present on issues related to continued exploitation of vulnerable people and children.	Kevin McDaniel	07/11/2020
8	BS0014	**Building safety** Failure to comply with statutory obligations e.g. legionella policy, asbestos policy, gas, electric policies etc leads to personal injury, damage and possible legal action. There is exposure should improvement notices not be carried out.	Russell O'Keefe	09/12/2020
8	BS0015	**Fire safety** Failure to carry out fire safety works to council properties including schools leads to increased exposure to fire risk, enforcement notice issued on inspection and reputation damage in event of fire. The probable key exposure to the council is not so much about the likelihood of a fire occurring but around being held culpable for not complying with its statutory duties regarding this hazard. (a) the financial level of fines that can be levied by fire safety inspectors should the organisation either not carry out a fire risk assessment and/or not act on its findings. This is compounded by very few property managers having sufficient understanding of the premises messages resulting from surveys e.g. over-occupancy, and, to a lesser extent, physical alterations e.g. alarms, fire doors; (b) a sudden need to inject money into a building should an improvement notice be served. There is insufficient funding to be able to get the necessary works completed.	Russell O'Keefe	18/11/2020

Detailed Risk Information

Current Risk Rating	Risk Ref	Summary	Assigned To	Review Date
8	CMT0039	**Security** The UK is facing threats and not just from groups inspired by al Qaida e.g, far right extremists, disenfranchised groups. There is the risk of security and community problems putting residents and visitors at risk of personal injury arising from the actions and behaviour of such groups, particularly in the area around Windsor. This is due to the high volume of visitors, the military and ceremonial links to the town centre and castle as well as being under the flight path. Clause 26 of the Counter Terrorism and Security Act requires LAs to establish panels (in RBWM's case, the Channel Panel) to assess the extent to which identified individuals are 'vulnerable to being drawn into terrorism'.	David Scott	01/03/2021
8	HSG0009	**Better Care Fund** 1. The pooled Better Care Fund budget (of which £12M is the shared budget between RBWM and CCG) fails to deliver services that meet health and social care needs in an integrated way to reduce avoidable admissions to care homes and hospitals. 2. Failures could potentially lead to DoH intervention. This all culminates in less prevention work and additional cost to us and the NHS.	Hilary Hall	21/11/2020
8	PEN0001	**Pension fund** The pension fund is in deficit. The risk is whether we can bring the Fund back to a fully funded position by the agreed date of 31 March 2040 and thus whether deficit contributions have to continually increase. That risk falls upon the scheme employers and potential increase to their employer contribution rates which they may not be able to afford but are statutorily required to pay – hence the potential impact on not only RBWM's revenue budget but the revenue budgets of all scheme employers across Berkshire.	Kevin Taylor	21/05/2021
8	RBWM0016	**Coronavirus** The novel coronavirus (COVID-19) outbreak was declared a Public Health Emergency of International Concern in January 2020 and a pandemic in March 2020. It presents a significant challenge for the country and local authorities. There is not a single area of local government that is not affected by the COVID-19 pandemic so a separate risk register details the works being done in this The council's response to the COVID emergency is testament to the robustness of the Council's emergency planning.	CLT	02/11/2020
6	FOI0003	**IT security** (a) Serious external security breaches, (b) data loss or damage to data caused by inadequate information security leads to delays and errors in business processes.	Nikki Craig	13/01/2021
6	HE0011	**Trees** Failure to undertake essential health and safety works to RBWM trees could lead to their collapse leading to property damage, injury, compensation claims, criticism. There are two areas: 1. Inadequate capacity to inspect (a) trees within parks, open spaces and cemeteries and (b) highways trees. 2. Failure to undertake the maintenance and safety works identified from inspection.	David Scott, Ben Smith, Hilary Hall	07/11/2020

Detailed Risk Information

Current Risk Rating	Risk Ref	Summary	Assigned To	Review Date
6	HPLAND0018	**Borough Local Plan** If we do not deliver sound Borough Local Plan we risk a) Increased pressure on our ability to demonstrate we have a five year supply of land for housing.This could lead to development taking place at locations and/or in a way we would not otherwise accept or to planning by appeals; b) Stagnation and failure to provide for a range of housing needs; c) Inability to resist inappropriate development with panel decisions being overturned on appeal; d) Failure to attract S106 and CIL (from April 2015 government regs restricted the use of s106 agreements and CIL will become the principle means of collecting financial contributions from new development); e) Local infrastructure not planning to cope with or take advantage of local development possibilities as part of Maidenhead regeneration including Crossrail. f) Failing to meet statutory responsibility to provide educational places for all borough residents. g) Challenge to the BLP, major planning enquiries including the 4 joint ventures taking place in Maidenhead. It is also important to note that the longer the process takes, the greater the risk events will impact on the process which then requires additional time and resource to consider.	Russell O'Keefe	13/11/2020
6	HSG0005	**Hospital discharge** Under the Care Act hospitals have the right to fine their local social services if a patient's transfer is delayed for social-care related reasons. With an ageing population, medical advances and changing public expectations, the number of older people delayed from leaving hospital and transferring to residential care can accelerate very rapidly into increased costs on the council. People are living longer, typically remaining physically stronger for longer. More people are now becoming frail with dementia in the last 3 years of life which is when care is most needed. A certain amount of outstanding cases will always exist because of limited specialist placements for people with challenging conditions but this should not skew the risk assessment judgement.	Hilary Hall	21/12/2020
6	HSG0007	**Adult social care** Growth in number of older people with disabilities, children's services transitions and long term conditions leads to costs increasing beyond the capacity of council and the inability to meet critical needs in the long term. Wealth depleters constitute a significant risk to the council.	Hilary Hall	21/11/2020
6	PPS0012	**Flooding vulnerability** The borough has an inherent vulnerability to flooding. There is a risk that we have insufficient resilience to reduce the chance of an extensive and damaging flooding event which could otherwise lead to excessive and unnecessary disruption. The cause of this is not delivering the right schemes from the right level of investment. Caution should be used before withdrawing capital funding should no serious floods occur over an extended period of time. RBWM is the lead local flood risk authority.	Ben Smith	15/11/2020

Detailed Risk Information

Current Risk Rating	Risk Ref	Summary	Assigned To	Review Date
6	TECHAN0001	**IT infrastructure** If there is an IT infrastructure failure i.e. data storage infrastructure, systems access or total loss of council data centre then this could affect the ability of RBWM to function normally. Details are within the IT risk register of which this is a summary. Causes: External cyber threats e.g. DDOS attacks. Loss/damage/denial of access to primary, secondary or hosted data centres. Accidental or deliberate loss of data or physical/logical failure to disk drive. Lapse of accreditation to Public Services Network. Physical or virtual server corruption or failure. This could lead to: - increased costs of downtime in the event of insufficient back up - expensive emergency service to rectify at short notice.	Nikki Craig	13/01/2021
4	HE0010	**Flooding response** The borough has an inherent vulnerability to flooding. Localised flooding can result in disruption to residents. Sewer flooding is a particular problem in Cookham and Ascot. The EA indicate that the ground water levels are presently relatively low, so the risk of flooding is lower than if the ground water level was higher. Less clear is how long it would take for the aquafers to fill so that the ground could not tolerate short/medium term intensive rain.	David Scott	15/12/2020
4	HSG0008	**Adult safeguarding** Failure to ensure appropriate measures to meet safeguarding adult requirements leads to significant and preventable harm/death to vulnerable people.	Hilary Hall	21/12/2020
4	SCHOOL0007	**School buildings hazards** Failure to comply with legislation around and provide a service for monitoring and managing school building related risks such as fire, legionella and asbestos. As well as greater exposure to related hazards, without the correct certification around compliance, the chance of a DfE visit increases.	Kevin McDaniel	27/11/2020
4	SCHOOL0008	**School improvements** Schools are not improving at the rate required to remain in or achieve the top quartile performance. Schools are judged as below "Good" by Ofsted. The schools attainment rates are insufficient to make them competitive with their peers.	Kevin McDaniel	24/11/2020
4	SCP0004	**Contractor failure** Council owned companies or major contractors delivering statutory and discretionary services on behalf of the council fail and/or go out of business as a result of increased demand or poor performance. Leads to: - Statutory services for children and adults not delivered. - Resident facing community services, such as highways or waste collection, not delivered. - Reputational damage to the council. - Potential risks to public health. - Vulnerable adults and children may be left more at risk. - Problems in maintaining the streetscene to a safe level leading to highways injuries/claims against the statutory highway authority.	Hilary Hall	25/01/2021

Detailed Risk Information

Current Risk Rating	Risk Ref	Summary	Assigned To	Review Date
3	CUSTMA0009	**Council tax billing process** Council tax billing process is not delivered accurately or on time causing reputation damage and potentially unenforceable debts. Failure, including that for any incorrectly presented precept, could lead to a rebilling exercise. We can only commence the final process once CTax is formally agreed, the police and fire precepts are set (and parish council precept if applicable). The bill must be correct to be enforceable. The presentation style of the numbers used on the bill is subject to legislative requirements and this can lead to explanatory notes being necessary e.g. rounding issues. Capita provide the software to generate the annual billing outputs but this is heavily reliant on RBWM providing and checking the data and presentation at various stages. The parameters are extensive for both CTax and benefits. An external print company is used to generate the bills. The head of service is the project manager and owner of the annual billing process.	Louise Freeth	27/11/2020
3	HPLAND0015	**S106 monies** Failure to identify and approve projects for the expenditure of S106 monies indicates lack of a clear strategy for the most resource effective use of the funding and will not bring benefits. Failure to identify the s106 monies will also affect the progress of the CIL Parishes will be getting a proportion of this money in future which means less revenue to support council schemes. The council is successful at claiming monies and there's an agreed list of spending. The risk is whether we are spending appropriately in accordance with the relevant legal agreement. Whilst there has been little challenge so far there is an exposure to having to repay the money.	Adrian Waite	30/10/2020

Report Selection Criteria

Status Flag=ACTIVE - Status in (Key operational risk,Key strategic risk)

Risk Ref Headline Details	Implemented or Ongoing Controls	Current Rating & Risk Appetite Target	Controls not Fully Developed	Changes made at Last Review	Lead Member & Assigned to
HOF0006 **Expenditure volatility causes a significant departure from the plan.** The council's financial strategy is not effective in dealing with pressures and service savings are not delivered as promised. Confidence level: highly dependent on progress on the COVID-19 pandemic. Timescale: as at autumn 2020, the aim is to build sufficient resilience in 2-3 years. - COVID pressures; - service pressures cannot be controlled or mitigated; - reduction in income due to recession - fees/charges/interest/severe income disparity across the borough; - savings plans not achieved; - cost of demand led services rises significantly beyond expectation; - reduced resilience for services meeting strategic challenges (for instance, demographic pressures; - increased number of child referrals and child specific placements.	1. Forward Plan as part of the budget setting process. 2. Bi-monthly forecasts from budget managers are reported to cabinet alongside the finance adjusted forecast figure. 3. Head of finance's annual assessment of the need to retain reserves based on the key risk register financial exposures. 4. Implement and monitor the action plan on the outstanding issues arising from the CIPFA report on the 19/20 budget build. 5. Finance management has a closely monitored corporate savings tracker noted monthly at CLT and reported bi monthly to Cabinet. 6. Respond to economic and emerging policy signals as an annual process with monthly monitoring of targeted against actual income. 7. Increased focus on monitoring debt recovery programme. 8. Monitor Govt/LGA statements and impact on local government. 9. Build business rate refund assumptions into MTFP based on historical data 10. Monthly reporting for heads of services and budget holders upgraded for 19/20 to easily identify and RAG rate variances. 11. Ensure sufficient reserves to accommodate spikes in demand. Head of finance makes an assessment of the need to hold balances.	**16 High** **4 - Low**	1. Sound budget build and Improve service manager/business partner arrangements.	Reviewed by Andrew Vallance 13/10/20. Threat wording refined and controls around budget revised.	Cllr Hilton Andrew Vallance

Risk Ref Headline Details	Implemented or Ongoing Controls	Current Rating & Risk Appetite Target	Controls not Fully Developed	Changes made at Last Review	Lead Member & Assigned to
HSG0006 **Inadequate strategic planning between children's services, adults and health.** 1. Lack of early planning in children's services potentially leads to children and young people with high needs who will need to transition to adult services not being identified and their costs are not built into future planning/Medium Term Financial Strategy. 2. Lack of a sufficient accommodation and supported employment offer locally leads to young people being placed out of borough in expensive placements leading to higher costs and loss of contact with their local communities.	1. Transitions action plan and strategy in line with NDTi recommendations agreed. 2. Plan and manage transitions by good operational working between CTPLD and CYPDS. 3. Increase collaborative working in East Berks. Supportive care pathway tiers defined primarily on customer risk and need. 4. Children's services to plan for the young people transferring so high cost issues are known a number of years ahead of t/f date. 5. Allocated transitions worker based in CTPLD (arises from IMR transitions case action plan) and adult social worker in CYPDS.	12 High 6 - Medium Low	1. Implementation of robust management controls in Optalis to manage funding packages and spend. 2. Fundamental service review to identify optimum target operating model based on "whole life" disability service in other LAs. 3. Transitions transformation programme implemented from September 2020 to improve joint processes (implement April 2021) 4. Transitions transformation prog. implemented from Sept 20 for local officer of accommodation & supported employment (Apr 22). 5. Transitions transformation programme implemented from September 2020 to improve planning and joint working (implement April 21)	Reviewed by HH 21/05 – new control added; added to existing control. Reviewed by KMCD 26/10 -no changes	Cllr Carroll Hilary Hall and Kevin McDaniel
RBWM00 15⌐ ∞ This Brexit risk focuses on the ability of the council services to prepare for the UK departure from the EU. The UK is in a transition period until 31 December 2020. The EU and UK have been attempting to agree a permanent trade deal, allowing trade to continue from 1 January 2021 If there is no deal, the UK will likely trade with the EU under the basic rules set by the World Trade Organization. Negotiators are trying to come to an agreement by mid-October in order to provide time for it to be ratified by year-end. Businesses and public bodies would have to respond to changes as result of leaving the EU. Without knowing what the future relationship with the EU will look like, this uncertainty makes it very difficult for businesses to make plans. Additionally, the proposed UK internal market bill which the government say will breach international law is causing concern for future trading relationships with the EU and the USA in particular. Potential impacts depending on the nature of the negotiations at the deadline include:	1. Horizon scan future contracts tendering in 2019, expected to tender in 2020 and review the council's procurement strategy. 2. Brexit preparedness group exists but currently on hold. It previously RAG rated key themes e.g. statutory/regulatory services. 3. Optalis maintain regular contract monitoring with care providers. None are currently reporting any risks associated with Brexit. 4. The Ministry of Housing, Communities & Local Government issued "Guidance to help local councils get ready for Brexit" 13 Aug 19. 5. Vigilance through partner agencies. Community wardens and One Borough to be alert to resident/community concerns. 6. Data t/f -Microsoft etc confirm that this is part of their global platform so no issues with the physical access to data.	12 High 6 - Medium Low	1. Work with front facing services to see if any increased cross-skilling can add resilience to teams e.g. CSC, Revs+Bens, Housing.	Reviewed. No changes 19/05/20.	CLT

Risk Ref Headline Details	Implemented or Ongoing Controls	Current Rating & Risk Appetite Target	Controls not Fully Developed	Changes made at Last Review	Lead Member & Assigned to
- Inflation, increased regulation and uncertainty could affect the council's tenders i.e. less bidders or rising costs for services. - There is a risk that a complete failure in supply e.g. Carillion from key suppliers could be felt. - Resilience of contracted services / workforce. For care homes, if providers struggle with workforce resilience there could be higher demands on statutory services. - Any post-Brexit arrangement that results in greater friction around data transfers between the UK and the EU could present problems. Office 365 and Microsoft Azure presently host data for us in Europe. Our IT Helpdesk is hosted in Germany. - SMEs will likely be the least resilient in the event of any economic downturn which could increase the take up of revenue and benefits services, housing advice, financial assistance if this impacts families/individuals. - In the event of higher demands on public services, front facing services in particular may find difficulty in providing the quality and speed of customer provision based on current resource levels. - Transition period instability could result in increased need for signposting; e.g. elections/voting information/issues around settled status. - Increases in anti-social behaviour e.g. if the government were to compromise on the question of EU citizens' access to the UK labour market in order to secure a trade deal, there is potential for a voter backlash on immigration, with worrying implications for community cohesion. - There could be a risk to delay in the projected timetable of regeneration if there is a skills/workforce shortage in the construction industry	7. JV partners have assessments and mitigations in place. Some mitigations secured through RBWM contract terms on delays/costs.				

Risk Ref / Headline / Details	Implemented or Ongoing Controls	Current Rating & Risk Appetite Target	Controls not Fully Developed	Changes made at Last Review	Lead Member & Assigned to
CORP0002 **Maidenhead regeneration programme fails to deliver expected benefits.** 1. There is a risk that we do not get the capital receipts we are anticipating to fund the various schemes we are using borrowing to initially progress. 2. Changes in the economy, particularly influenced by Covid-19, could affect the benefits that can be realised e.g. a loss of consumer confidence and rising build costs would affect the financial viability of schemes and could result in stalled development. 3. Ensuring effective join up of sites and infrastructure delivery. Projects could be stalled, if land receipts are to be maintained, and economic recovery anticipated.	1. Summary details of the Prop Co's risk register go into a half yearly update to cabinet on their performance. 2. Prop co's risk register is specific to all risk associated with regeneration and capital development programme projects. 3. Risk of build cost inflation/market value decreases is born by the JV Development Partner and fixed at Pre-Construction stage. 4. Prop co risk register reviewed quarterly by its board and shared with RBWM 's risk manager.	**12 High** **8 - Medium**	None	Reviewed by Barbara Richardson 29/09/20. Current assessment to high (from medium) based on the potential for land receipts to be reduced, or stall due to economic downturn.	Cllr Johnson Russell O'Keefe
FOI0006 **Data protection** Statutory breach arising from non-compliance with the Data Protection Act 2018 and the General Data Protection Regulation 2016 leads to reputation damage e.g. naming and shaming and fines potentially up to €20m (that level of fine is unlikely to be applied to a local authority although low 6 figure fines from the ICO in that regard have occurred) as well as legal action costs following judicial remedies. Non-compliance can only be identified if a breach actually occurs. The type of information breach is key - only if significant harm is likely to arise from the breach are fines expected to be punitive. Regulators can also issue enforcement action in the form of temporary or permanent bans on processing. Confidence level in accuracy of current risk assessment: medium.	1. Update and keep maintained the corporate register of processing activities as per article 30 of GDPR. 2. Services are responsible for ensuring their own policies align to the Data Protection Act 2018 and the GDPR Regulation 2016 3. Reviewed information assets. Continuing development of the information asset register and updating entries by info asset owners 4. Officers required to undertake annual GDPR online training. 5. SIRO and DPO attended a one day SIRO training course 05/02/2020. 6. Online form to enable staff to easily and quickly report data security breaches. 7. Security induction and annual training procedure embedded in HR procedures and the appraisal process.	**9 Medium/High** **6 - Medium Low**	1. Services to ensure they have complete registers of their held data at Iron Mountain guided by applicable retention schedule. 2. Establish with SIRO how the file categorisation at Iron Mountain can be improved so that data is not held unnecessarily. 3. Members: low uptake for online GDPR training. Now mandatory with reminders sent and completion list maintained by group leaders. 4. Further develop service's privacy notices to ensure uniformity.	Reviewed by Karen Shepherd 30/9/20. Amended o/s control around member training.	Cllr Rayner Karen Shepherd

Risk Ref Headline Details	Implemented or Ongoing Controls	Current Rating & Risk Appetite Target	Controls not Fully Developed	Changes made at Last Review	Lead Member & Assigned to
21	8. All RBWM-issued mobile devices are controlled by our mobile device management solution, Microsoft InTune. 9. Review all partnership agreements and determine the information sharing arrangements, updating as necessary. 10. Optalis and AfC data sharing and handling arrangements in place and part of contract management with major partners. 11. DPO and SIRO meet monthly to discuss any breaches and where necessary identify issues to be raised at CLT (by the SIRO). 12. Services are responsible for complying with applicable statutory retention timescales in their information asset registers. 13. GDPR - data protection risk overview reviewed monthly by DPO and SIRO. The contents are aligned to GDPR Articles and RAG rated. 14. Reporting of any partner org data breaches is a regular reporting item to the monthly operational commissioning board meetings. 15. Appointed a data protection officer (DPO) plus deputy to support. Updated DP Policy to include DPO as a mandatory role.				

Risk Ref Headline Details	Implemented or Ongoing Controls	Current Rating & Risk Appetite Target	Controls not Fully Developed	Changes made at Last Review	Lead Member & Assigned to
CMT0040 **Fail to protect residents should an emergency incident occur** Insufficient local community resilience which could lead to residents being without the necessary assistance and increased financial impact on RBWM should a critical event occur. Underdeveloped and untested business continuity planning may reduce the ability of the council to provide critical functions in the event of emergency situation. Avoid single officer point of failure to fulfil duties under Civil Contingencies Act. 22	1. The last review at CLT of BCP was 23 September 2020 2. Inter authority agreement in relation to JEPU in place (RBWM, WBDC and BFBC) to provide resilience with experts in the field. 3. A large officer pool to undertake the initial response, inside and outside officer hours with clear roles and responsibilities. 4. Waste suppliers have confirmed their processes and arrangements in the event of severe weather. 5. Ensure sufficient resilience for IT systems/back ups in emergencies for the 24/7 control room or EOC. 6. Residential care homes have temporary alternative accommodation plans for vulnerable adults for use in emergency situations. 7. The need for contractors to have BCPs in place is part of the commissioning and contracting process (but no testing process). 8. The new generator at Tinkers Lane is extended to provide wider back up to support greater emergency use of the depot.	**9 Medium/High** **6 - Medium Low**	1. Service BCPs continuing development. Original timeline disrupted by pandemic but this proved helpful to stress test the BCPs. 2. Progress an action plan for improving resilience by way of developing training plans on a regular routine way based on risk. 3. Develop an action plan of key issues to take forward to improve the BC and EP response. 4. An effective means of testing plans is being put in place including, where possible, our key contractors. 5. Training package to upskill those responsible in services to undertake the work, including CLT, commencing 20/21. 6. Develop and support community based EP's in conjunction with parish councils working in propriety order with communities. 7. Increase the number of individuals trained to support a response in various command locations including EOC and rest centres.	Reviewed by DVS 12/10/20 and controls updated.	Cllr Cannon David Scott

Risk Ref Headline Details	Implemented or Ongoing Controls	Current Rating & Risk Appetite Target	Controls not Fully Developed	Changes made at Last Review	Lead Member & Assigned to
RBWM0016 **Covid 19 response** The novel coronavirus (COVID-19) outbreak was declared a Public Health Emergency of International Concern in January 2020 and a pandemic in March 2020. It presents a significant challenge for the country and local authorities. There is not a single area of local government that is not affected by the COVID-19 pandemic so a separate risk register details the works being done in this area. Note - the current risk rating and appetite metrics will vary depending on the area of impact. Thus the values depicted here should be read with that in mind. The council's response to the COVID emergency is testament to the robustness of the Council's emergency planning.	1. The Council is working with all relevant partner agencies to ensure a co-ordinated response to the global pandemic. 2. The Council has a number of key plans in place, the key plan is the Outbreak Control Plan which is published on the Councils website	8 Medium 4 - Low	1. There is an extensive risk register in support of the controls and detailed threats (contents deemed a Part 2 reporting matter).		CLT
CMT0039 **Security** The UK is facing threats and not just from groups inspired by al Qaida e.g, far right extremists, disenfranchised groups. There is the risk of security and community problems putting residents and visitors at risk of personal injury arising from the actions and behaviour of such groups, particularly in the area around Windsor. This is due to the high volume of visitors, the military and ceremonial links to the town centre and castle as well as being under the flight path. Clause 26 of the Counter Terrorism and Security Act requires LAs to establish panels (in RBWM's case, the Channel Panel) to assess the extent to which identified individuals are 'vulnerable to being drawn into terrorism'.	1. Permanent, integrated hostile vehicle mitigation measures in Windsor to ensure the safety of residents, phase 1a complete. 2. Counter Terrorism Local Profile used to help inform and shape our local understanding of threat levels/risks and thus plans. 3. Evacuation plan for Windsor in place. 4. Community safety partnership strategy and action plan in place, updated annually. 5. Channel Panel and Prevent Delivery Board meet regularly and membership has been updated. 6. Update reports from DVS to the CLT on Channel arrangements and Prevent provided annually to the CLT. 7. Close partnership working with police and military to share intelligence and ensure risks are reduced.	8 Medium 8 - Medium	None	Reviewed by DVS 12/10/20. Controls updated incl. new national Guidance for how Channel operates being published in Nov 20	Cllr Cannon David Scott

Risk Ref Headline	Implemented or Ongoing Controls	Current Rating & Risk Appetite Target	Controls not Fully Developed	Changes made at Last Review	Lead Member & Assigned to
Details					
	8. TOR for Channel Panel, (administered and chaired by DVS) who assess risk and decide on support packages, refreshed in 18/19. 9. RBWM works closely with the One Borough group to build and maintain public inter-faith confidence in preventing all extremism.				
SCP0004 Failure of service provision Council owned companies or major contractors delivering statutory and discretionary services on behalf of the council fail and/or go out of business as a result of increased demand or poor performance. Leads to: - Statutory services for children and adults not delivered. - Resident facing community services, such as highways or waste collection, not delivered. - Reputational damage to the council. - Potential risks to public health. - Vulnerable adults and children may be left more at risk. - Problems in maintaining the streetscene to a safe level leading to highways injuries/claims against the statutory highway authority. 24	1. Robust governance arrangements at Member and officer levels in place and operating. 2. Escalations, including financial penalties and "step in" procedures, in place for all contracts with clear triggers identified. 3. Identified contract managers in place. 4. Road categorisation project woven into HMMP. 5. Change control mechanisms in place across all contracts. 6. Tight contract monitoring - quarterly and monthly contract meetings. 7. Exit clauses/strategies negotiated and in place across all contracts. 8. Clear vision and business plans for all companies, aligned to the Council Plan. 9. Performance dashboard of key service and financial indicators - reviewed monthly and quarterly. 10. Make Highways Maintenance Mgt Plan risk based as per 2018 Code of Practice to show our rationale in case of legal challenge.	4 Low 4 - Low	None	Reviewed 24/09/20 by HH. New ongoing control around escalation including financial penalties which is already in place and being implemented in the context of Serco.	Cllr Coppinger Cllr Carroll Cllr Stimson Cllr Clark and Cllr Cannon Hilary Hall

Risk Ref Headline Details	Implemented or Ongoing Controls	Current Rating & Risk Appetite Target	Controls not Fully Developed	Changes made at Last Review	Lead Member & Assigned to
TECHAN0 001 **IT Infrastructure failure** If there is an IT infrastructure failure i.e. data storage infrastructure, systems access or total loss of council data centre then this could affect the ability of RBWM to function normally. Details are within the IT risk register of which this is a summary. Causes: External cyber threats e.g. DDOS attacks. Loss/damage/denial of access to primary, secondary or hosted data centres. Accidental or deliberate loss of data or physical/logical failure to disk drive. Lapse of accreditation to Public Services Network. Physical or virtual server corruption or failure. This could lead to: - increased costs of downtime in the event of insufficient back up - expensive emergency service to rectify at short notice. 25	1. Multiple data centres provides increased resilience. 2. £900k investment in modern workplace project phase 1. Completed March 2020. 3. Line of business systems hosted either on local servers or on remote cloud-hosted servers. 4. Council networks are protected by multiple security layers using firewall and other control technologies. 5. Physical Infrastructure controls - access controls, remote access capability, environmental monitoring, generator and UPS. 6. DDOS protection in place. 7. Council external website is hosted in the Cloud. 8. Disk drives are configured to use RAID technology. 9. Switch replacement and diversely routed networks. External network links supplied and supported by tier one UK network suppliers	6 Medium/Low 4 - Low	1. Business Continuity/Disaster Recovery. BCP docs not fully finalised but all services' IT usage is understood. 2. Phase 2 of modern workplace project underway at estimated cost of £800k to involve AfC, libraries and Optalis.	Reviewed by IT 12/10/20. No changes.	Cllr Rayner Nikki Craig

Risk Ref Headline Details	Implemented or Ongoing Controls	Current Rating & Risk Appetite Target	Controls not Fully Developed	Changes made at Last Review	Lead Member & Assigned to
FOI0003 **IT security breach** (a) Serious external security breaches, (b) data loss or damage to data caused by inadequate information security leads to delays and errors in business processes. 26	1. Security awareness of officers and external service providers who use our IT. 2. Secure remote working with computers, encrypted area for sensitive laptop data. 3. Develop, publish and communicate information security policies. 4. Audit use of all Council laptops and obtain management authorisation for their use. 5. DPO/SIRO to check and take action when inappropriate external transmissions of data are reported. 6. Create a security induction and training procedure and embed in HR procedures and the appraisal process. 7. All security breaches are investigated. Intel shared with organisational development team to weave into future learning. 8. Disposal of confidential waste papers. Specific bins are in place to ensure such waste is locked and secure at all times. 9. Exchange of data and information with other organisations. Policies, procedures and declarations available to increase security. 10. HR complete ICT change form when an employee leaves - triggers responses by system owners to close off access. 11. Implement a robust exit strategy with accountabilities when staff leave the organisation or return surplus IT equipment..	6 Medium/Low 8 - Medium	None	Reviewed by IT 12/10/20 - no changes.	Cllr Rayner Nikki Craig

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Royal Borough
of Windsor &
Maidenhead

Royal Borough Windsor and Maidenhead

Approach to Management of Risk

1 April 2020 – 31 March 2021

Date: 1 April 2020

CONTENT

1. INTRODUCTION

1.1 This document sets out the working definitions of risks and issues and how RBWM approaches risk management.

Definition

1.2 Risk is defined as "the chance of something happening which may have an impact on the achievement of an organisation's objectives".

1.3 Risk management is defined as "the culture, processes and structure that are directed towards effective management of potential opportunities and threats to the organisation achieving its objectives".

1.4 An issue is defined as an event that is happening right now or has already happened. There is the possibility for a risk to turn into an issue when it is realised.

1.5 The difference between a risk and an issue is one of timing. The risk event is a future event so the task is to assess its probability, its proximity and estimate the impact that would be caused if it did occur. An issue event has already happened so there is no need to assess its probability - what must be considered is the impact and what reaction is required to deal with it.

Risk

1.6 RBWM's approach to risk management stems from the Alarm[1]/Airmic[2]/IRM[3] enterprise risk management approach which provides a best practice framework for organisations to properly manage their risk management responsibilities.

1.7 Risk is a normal part of business. The understanding and management of risks is an integral part of the RBWM corporate governance framework.

1.8 RBWM employees will adopt a consistent and systematic approach to managing risk. The management of risk is a responsibility of all senior managers in the council. It is important that the identification of risks is timely to support effective service delivery.

1.9 RBWM manages specific project work through a stand-alone system where the risk assessment methodology is scaled to the project under consideration.

1.10 Risks relating to health and safety are addressed through a separate policy[4].

1.11 How successful RBWM is in dealing with the risks it faces can have a major impact on the achievement of the council's vision and strategic priorities. When management of risk goes well it often remains unnoticed. When it fails the consequences can be significant and high profile, for example, inefficient use of or

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[1] Alarm is the primary voice for public sector risk management in the UK.
[2] Airmic promotes the interests of corporate insurance buyers and those involved in enterprise risk management.
[3] The IRM (Institute of Risk Management) provides risk management related education.
[4] https://rbwm.sharepoint.com/sites/intranet/our-council/health-and-safety

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1.8 Wasted resources, financial loss, service disruption, adverse publicity, litigation or failure to meet objectives. Hence the need for effective risk management.

2 THE COUNCIL'S 2020/21 RISK MANAGEMENT POLICY

2.1 This policy is fundamental to the council being less risk averse i.e. accepting greater levels of risk. Successful organisations are not afraid to take risks; unsuccessful organisations take risks without understanding them

2.2 The objective of risk management is not to eliminate all possible risks - that is not possible – but to recognise risks and deal with them appropriately. Underpinning the implementation of the council's risk management strategy are the following principles:

- The **informed acceptance** of risk is essential to good business strategy.
- Risk management is an effective means to enhance and **protect the council**.
- **Common definition and understanding** of risks is necessary in order to better manage those risks and make more consistent and informed business decisions.
- Management of risk is an **anticipatory, proactive** process.
- All risks are to be **identified, assessed, measured, monitored** and reported on in accordance with this strategy.
- Officers will **ensure cabinet members are aware** of all key risks in a timely way.

2.3 Consequently, staff will need to understand the nature of the risks in their areas and systematically identify, analyse, assess, treat, monitor and review those risks.

2.4 Risk management encompasses both external and internal influences.

External influences

2.5 Risk management is an important element of corporate governance. The council must demonstrate that it complies with regulations[5] in relation to the publication of an annual governance statement[6]. One of its core principles is a requirement for RBWM to demonstrate how it manages risk and ensure that it has a system of controls that mitigate those risks that may affect the achievement of its objectives.

2.6 CIPFA[7] in their 2018 publication "audit committees – practical guidance for local authorities and police" emphasise that an audit committee, as a part of their core function, should review the effectiveness of the council's risk management arrangements. This role is fulfilled by the remit of the council's Audit and Governance committee

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[5] Regulation 6 of the Accounts and Audit Regulations 2015. The council's financial management arrangements similarly conform to the governance requirements set out in CIPFA's 'the role of the chief financial officer' (2016).
[6] The latest governance statement covering 18/19 was signed off in November 2019.
[7] "Chartered Institute of Public Finance and Accountancy". The only UK professional accounting body that specialises in the public sector.

Internal influences

2.7 The council's risk register draws together all the potential consequences of failing to deliver service objectives. It identifies the relative importance of these potential problems and assigns responsibilities for attempting to reduce the likelihood and/or impact to the preferred risk appetite if they do occur.

2.8 The terms of reference of the Audit and Governance committee[8] are specific to their responsibilities to receive an annual report on and monitor the effective development and operation of risk management.

2.9 Including specific risk assessments as part of decision-making papers to members and corporate leadership team ensures that any risks inherent in a decision are more noticeable and hence subject to improved scrutiny. The report template requires writers to include any relevant risks from the corporate risk register.

2.10 Risk management therefore requires:

- Risk being everyone's business. All staff must be competent in and accountable for managing risk within their area of responsibility.
- A consistent management framework on how best to manage risk.
- Relevant legislative requirements and political, social and economic environments to be considered in managing risk.
- Good quality information.

3 RISK MANAGEMENT FRAMEWORK AIMS AND OBJECTIVES 2020/21

3.1 The risk management framework aims to achieve in 2020/21 an environment where risk management becomes an integral part of planning, management processes and the general culture.

3.2 It will achieve this through implementing a number of objectives reflecting the council's Interim Strategy in response to Covid19 Pandemic 2020-21[9]:

- Development of the Outbreak Plan
- Officer challenge on risks, issues, equalities and deliverability
- RBWM Business Continuity
- Safety of staff and customers - service delivery impact
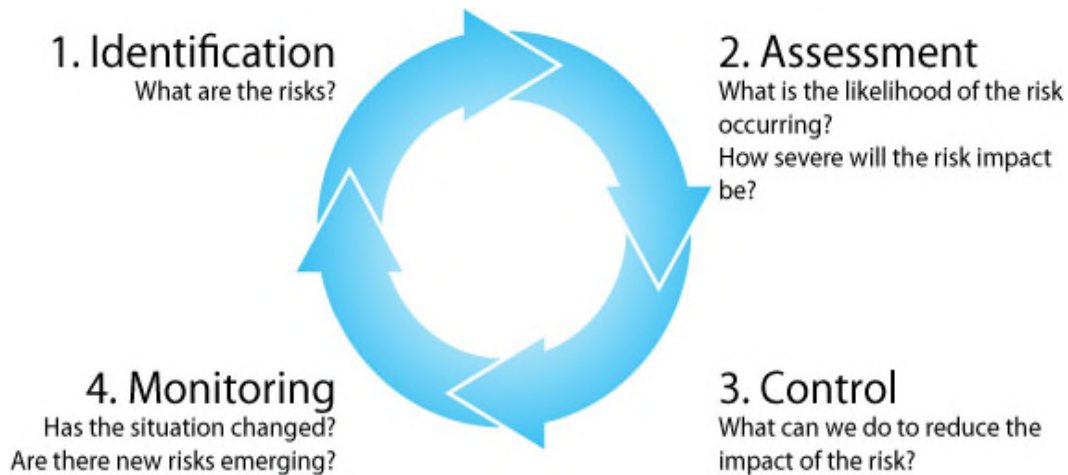
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[8] Part 6 B11.1. l of the RBWM Constitution.
[9] Cabinet report 30 July 2020

4. RISK MANAGEMENT PROCESS

4.1 The approach to risk management in RBWM follows a four-stage process, see diagram 1. Each service area is assessed, by the relevant manager, against the process and a judgement drawn on the level of risk.

Diagram 1: Four stage process

4.2 **Stage 1**: Identify those circumstances – risks – that might prevent service/team/decision objectives being reached.

4.3 **Stage 2**: Evaluate the likelihood and impact in order to identify how significant each risk is:

- Impacts and likelihoods are scored on a four-point scale. At the lower end 1 represents a minor impact and/or "very unlikely" and 4 represents an extreme risk and/or "very likely".
- Protocols exist to guide officers in making these judgements. A note detailing the criteria is attached (appendix 1).
- Multiplying these likelihood and impact scores together gives a result assessed as either "high risk" (value 12 - 16), "high/medium risk" (value = 9), "medium risk" (value 6 - 8) or "low risk" (value 1 - 4) depicted by the heat map, diagram 2 on the following page.
- Key risks are those identified as high risks with consideration also given to those where the implications of failure carry the most damaging consequences i.e. a risk with an inherent impact of 4.

4.4 In terms of assessing each risk the assessment is detailed in three situations:

- Inherent – the risk without any controls whatsoever.
- Current – how the risk stands at the present time.
- Controlled – how the risk looks once all mitigations are implemented.

4.5 The critical part is identifying and understanding the risks to enable informed decisions to be made.

Diagram 2: Risk assessment heat map

IMPACT		LIKELIHOOD			
4		4	8	12	16
3		3	6	9	12
2		2	4	6	8
1		1	2	3	4
		1	2	3	4

LIKELIHOOD

4.6 **Stage 3**: Treat the risks in order of priority. Mitigation measures address whether the likelihood and/or impact can be reduced or the consequences changed. Contingencies can be devised to respond should the risk occur. Key risks will be evaluated by risk owners i.e. directors, senior leadership team and cabinet members.

4.7 **Stage 4**: This is a monitoring and review process. The quarterly reporting process demands from reviews that each risk indicates consequences, SMART mitigations and the risk owner[10]. This process adds scrutiny to ensure:

- The correct risks are being identified.
- Treatment measures identified are legitimate.
- Correct individuals are assigned as risk owners.
- Systematic scanning for novel and unexpected threats as well as dealing with identified risks is, as far as possible, considered a core part of management responsibilities.
- There are challenges to what we "know" to ensure that our particular belief system is based upon the most up to date knowledge.
- Early warning systems exist so information can filter up quickly and easily.

4.9 Each risk is classified into one of a comprehensive set of eleven categories (appendix 2). These can be used to:

- Aggregate risks from various parts of the organisation for management purposes.
- Help with the identification of mutating risk. A mutating risk is an existing risk which starts connecting with other threats or factors to generate new outcomes.

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[10] An individual officer, who is closely involved with the risk, can monitor the risk and has sufficient authority to initiate action if the risk becomes more serious.

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5   RISK APPETITE

5.1   Due to its diverse range of services the council does not have a single risk tolerance and appetite for risk. Risk appetite is the phrase used to describe where RBWM considers itself to be on the spectrum ranging from willingness to take or accept risks through to an unwillingness or aversion to taking risks.

5.2   Considering and setting risk appetite enables the council to increase its rewards by optimising its risk taking and accepting calculated risks within an appropriate level of authority. A clearly defined risk appetite takes much of the guesswork out of putting limits on new business. Equally, it reduces the likelihood of unpleasant surprises. Risk appetite enhances the content of the risk registers by considering:

- Capacity – the actual physical resources available and physical capability of the organisation. The council's capacity must have limits; therefore its capacity is finite and breaching those limits will cause RBWM problems it cannot deal with.
- Tolerance – the factors that the council can determine, can change and is prepared to bear. Risks falling within tolerances for quality and range of services can be accepted. Tolerance changes more frequently than capacity and should therefore be stress tested more often.

5.3   There are an overarching series of qualitative and quantitative risk appetite statements (appendix 3) which no unit or service area can exceed, based on the capacity and tolerance levels of the council.

6   CONFIDENCE LEVEL

6.1   A metric is ascribed to the level of conviction the risk assessor has in the assessment score. By showing a confidence level the risk assessor can mitigate the problem that the decision makers, members etc. may be expecting precise numerical calculations because (unless told otherwise by the risk assessor), the assessments get interpreted as completely accurate depictions of the risk.

6.2   Low confidence level (score between 0-25%)

- Assessment is based on purely subjective opinion, is qualitative and not especially well documented because we don't have the data.
- No scientific consensus exists on estimating approach.
- Scores are, on balance, quite arbitrary and could be off by more than one measure (high vs high/medium vs medium vs. medium/low v low). It is no more probable that the reported score is correct than a lower or higher score is correct.

6.3   Medium Confidence Level (26% - 60%)

- Assessment is based on similar conditions observed previously and/or qualitative analysis. Qualitative analysis is based on unverified models and/or data.

- Expert opinion might fall in here but should be treated with caution if that's all there is. Some documentation exists.
- Literature relying on this estimating approach exists. We are confident that, if scores above are wrong, they are, on balance, only off by one ordinal.

6.4 High Confidence Level >60%

- Assessment is based on testing, modelling or simulation, use of prototype or experiments.
- Qualitative analysis is based on verified models. Quantitative assessment is based on an historical basis and/or data. Impact estimate is quantitative and well documented.
- Scientific consensus exists on estimating approach. It is highly probable that the reported score is correct (this could, for example, mean within one standard deviation).

7 RISK MANAGEMENT ROLES AND RESPONSIBILITIES

7.1 Managing director

The MD takes overall responsibility for RBWM risk management performance and ensures that:

- decision-making is in line with RBWM policy and procedures for risk management;
- adequate resources are made available for the management of risk;
- there is an understanding of the risks facing RBWM.

7.2 Cabinet members

- take reasonable steps to consider the risks involved in their decisions;
- understand the key risks falling within their portfolio.

7.3 Audit and Governance Committee

- consider and approve the risk management strategy annually and communicate it to other elected members;
- receive an annual report on risk management and monitor the effective development and operation of corporate governance;
- receive six monthly reports on the effective management of risks facing RBWM;
- oversee a comprehensive, inclusive and risk management approach to the annual governance statement process.

7.4 Head of finance

- ensures that a risk management policy and strategy is developed and reviewed annually to reflect the changing nature of the council;

- champions the process of risk management as good management practice and a valuable management tool.

7.5 **Corporate leadership team**

- challenges the contents of the corporate risk register to ensure that it reflects any significant new risks emerging and that monitoring systems are suitably robust;
- support and promote risk management throughout RBWM;
- ensure that, where appropriate, key decision reports include a section demonstrating that arrangements are in place to manage identified risks;
- ensure that risk is managed effectively in each service area within the agreed strategy;
- identify any service specific issues relating to risk management which have not been explicitly addressed in the strategy;
- disseminate the detail of the strategy and allocate responsibilities for implementation to service managers and staff;
- understand the risks facing the council.

7.6 **Insurance and risk management team**

- develop the strategy and oversee its implementation across the council;
- share experience and good practice on risk and risk management;
- develop and recommend the strategy to the corporate overview and scrutiny panel, head of finance and the senior leadership team;
- provide a clear and concise system for reporting risks to elected members.

7.7 **Internal audit**

- take the content of the key risk registers into account when setting the internal audit programme;
- undertake audits to assess the effectiveness of the risk mitigation measures;
- feedback audit opinions on a predetermined scale so they can be included in the risk register.

7.8 **Heads of service/managers**

- take primary responsibility for identifying and managing significant strategic and operational risks arising from their service activities;
- recommend the necessary training for employees on risk management;
- maintain a risk register for their service area and ensure that all employees are aware of the risk assessments appropriate to their activity;
- be responsible for production and testing of business continuity plans.

7.9 **All staff**

- identify emerging or changing risks in their job and feed this back to their line manager.

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8   **CORPORATE RISK FINANCING STRATEGY**

8.1   RBWM uses its risk financing arrangements to protect it from the financial implications of unexpected accidental events. This helps in providing continuous services in the event of serious losses.

8.2   The level of cover bought will depend on the council's appetite for risk, based on its ability to self-fund claims and the strength of its risk management.

8.3   RBWM is exempt from most requirements regarding compulsory insurance[11]. Nevertheless, most public sector organisations purchase external insurance. Without this, we will fund all such exposures from our own resources.

8.4   If RBWM were to insure without taking substantial excesses against most of the risks that it faces then this would incur a significant amount of annual expenditure in premiums.

8.5   Having strong risk management arrangements across RBWM allows us to retain some risks either by deciding to self-insure these risks in their entirety or by purchasing insurance for losses that arise over a certain value.

Objectives
- Provide financial protection to the council's assets, services and employees.
- Maintain appropriate balance between external cover and internal risk retention.
- Ensure the internal insurance fund is maintained at an appropriate level.
- Ensure resilient claims handling arrangements and insurance fraud detection.
- Comply with any statutory requirements to have in place particular policies of insurance and associated inspection systems.

Achieved by
- Using claims modelling and other risk assessments to determine exposures.
- Monitoring changes in legislation, civil justice protocols and case law.
- Maintaining claims handling protocols in line with statutory requirements.
- Undertaking periodic actuarial fund reviews.

Procurement of insurance
- All insurance procurement complies with the relevant EU procurement rules.
- Hard copies of policies are retained indefinitely with more recent policy documentation stored soft copy.

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[11] Under the Local Government Act 1972 the only insurable aspect of the council's operations it is obliged to make specific financial provision for is against the risk of financial fraud by staff.

9   **Appendices**

1. Impact and likelihood assessment scoring.
2. Risk classifications.
3. Qualitative and quantitative risk appetite statements.

Document Name	Risk management policy and strategy 2020/21	
Document Author	Steve Mappley	
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	Version 2	Updated to account for changes affecting RBWM over the last 12 months. Reviewed hyperlinks. Endorsed by audit and performance review panel 6 Sept 2017
	Version 3	Used Nov 2017 template. Revised section 6 – roles and responsibilities
	Version 4	Endorsed by audit and performance review panel 12 April 2018
	Version 5	May 2019 - updated terminology to account for changes in RBWM.
	Version 6	April 2020 – added text about confidence levels and changed committee structure references
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ASSESSMENT CRITERIA FOR IMPACT

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	Factor	Score	Effect on Level of Service	Effect on Quality of service	Embarrassment/reputation	Failure to provide statutory duties/meet legal obligations	Financial loss
THREATS	Extreme	4	Massive loss of service, including several important areas of service and /or protracted period; service disruption 5+ days	Quality of service deteriorates by over 80% from accepted (ideally defined by PI's) operating parameters.	Adverse and persistent national media coverage; adverse central government response, involving (threat of) removal of delegated powers; officer(s) and/or members forced to resign	Litigation/ claims/fines from departmental £250k + corporate £500k +	Costing over £500,000 Up to 75% of budget
	Major	3	Complete loss of an important service area for a short period; major effect to services in one or more areas for a period of weeks; service disruption 3-5 days	Quality of service deteriorates by between 25% to 60% from accepted (ideally defined by PI's) operating parameters.	Adverse publicity in professional/municipal press, affecting perception/standing in professional/local government community; adverse local publicity of a major and persistent nature; statutory prosecution of a serious nature.	Litigation/ claims/fines from departmental £50k to £125k corporate £100k to £250k	Costing between £50,000 and £500,000 Up to 50% of budget
	Moderate	2	Moderate effect to an important service area for a short period; adverse effect to services in one or more areas for a period of weeks; service disruption 2-3 days	Quality of service deteriorates by between 10% to 25% from accepted (ideally defined by PI's) operating parameters.	Adverse local publicity /local public opinion aware; statutory prosecution of a non-serious nature	Litigation/ claims/fines from departmental £25k to £50k Corporate £50k to £100k	Costing between £5,000 and £50,000 Up to 25% of budget
	Minor	1	Brief disruption of important service area; significant effect to non-crucial service area; service disruption 1 day	Quality of service deteriorates up to 10% away from accepted (ideally defined by PI's) operating parameters.	Contained within section/unit or directorate; complaint from individual/small group, of arguable merit	Litigation/ claims/fines from departmental £12k to £25k corporate £25k to £50k	Costing less than £5,000 Up to 10% of budget

Appendix C1 – Impact/likelihood assessment scoring

ASSESSMENT CRITERIA FOR LIKELIHOOD

FACTOR	SCORE	THREATS - DESCRIPTION	INDICATORS
Very likely	4	More than 75% chance of occurrence.	Regular occurrence. Circumstances frequently encountered - daily/weekly/monthly.
Likely	3	40% - 75% chance of occurrence.	Likely to happen at some point within the next 1-2 years. Circumstances occasionally encountered (few times a year).
Unlikely	2	10% - 40% chance of occurrence.	Only likely to happen 3 or more years.
Very unlikely	1	Less than 10% chance of occurrence.	Has happened rarely/never before.

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Likelihood					
Very likely	4	LOW	MEDIUM	HIGH	HIGH
Likely	3	LOW	MEDIUM	MEDIUM/HIGH	HIGH
Unlikely	2	LOW	LOW	MEDIUM	MEDIUM
Very unlikely	1	LOW	LOW	LOW	LOW
Impact		Minor 1	Moderate 2	Major 3	Extreme 4

THE RISK MATRIX (with scoring)			
4	8	12	16
3	6	9	12
2	4	6	8
1	2	3	4

1 **Business processes**
Design, operation and application activities.

2 **Assets**
Infrastructure including hard assets e.g., roads, buildings, vehicles, along with other physical responsibilities such as trees, open spaces. Excludes IT.

3 **Communications**
The approach to and culture of communication, consultation, transparency and information-sharing, both within and outside the council.

4 **Political and operating context**
Perceived or potential conflicts between private and public interests, members and officers, national and local government or contractors and the council.

5 **Financial management**
The structures and processes that ensure sound management of financial resources and compliance with financial management policies and standards.

6 **Governance, strategic direction and organisational transformation**
Management skills and capacity, the approach to leadership and decision-making. The approach to significant structural or behavioural change.

7 **Human resources management**
Staff/management turnover; employment/work culture; recruitment, retention and staffing processes and practices; succession planning and talent management; employee development, training and capacity.

8 **Information technology**
Capacity and sustainability of information technology and both the infrastructure and utilisation of technological applications.

9 **Knowledge and information management**
Collection and management of knowledge, including intellectual property, operational information, records and data.

10 **Legal**
management of RBWM's legislative, advisory and litigation activities, including the development and renewal of, and compliance with, laws, regulations and policies.

11 **Demographic and social factors**
The direct needs of residents, visitors and the general public.

Appendix C3 – risk appetite statements.

low appetite	low/medium appetite	medium appetite	medium/high appetite	high appetite
Avoidance of risk and uncertainty is a key organisational objective.	Preference is for ultra safe business delivery options that have a low level of inherent risk and only have a potential for limited reward.	Preference is for safe delivery options that have a low degree of inherent risk and likely to only have limited potential for reward in most circumstances.	Willing to consider all potential delivery options and choose the one most likely to result in successful delivery while also providing an acceptable level of reward.	Eager to be innovative and to choose options offering potentially higher business rewards despite greater inherent risks.

authorisation				
Insignificant consequences requiring line manager (or even staff) approval	Moderate consequences requiring HOS approval	Medium consequences acceptable by director.	Potential major consequence acceptable only with chief officer authorisation.	Potential catastrophic consequences unacceptable without highest possible level approval
monitoring				
Accept	Low level monitoring	High level monitoring	Remedial action and/or senior monitoring	Urgent remedial action or senior monitoring

Risk appetite statements 1 – 3 are quantitative assessments, 4 – 8 are qualitative assessments each acknowledging a willingness and capacity to take on risk.

Appendix C3 – risk appetite statements.

low appetite	low/medium appetite	medium appetite	medium/high appetite	high appetite
1. Maximum tolerance for losses				
Costing <£10K. It is likely to cost about this much to manage an occurrence of this risk. Little stakeholder concern and can usually be managed in the directorate concerned with normal reporting to head of finance. Little impact on service delivery in other areas due to the financial impact of this occurrence.	Costing £10K - £50K. It is likely to cost about this much to manage an occurrence of this risk. Pockets of some stakeholder concern and can usually be managed in the directorate concerned with normal reporting to head of finance. Little impact on service delivery in other areas due to the financial impact of this occurrence.	Costing £50K - £250K. It has often cost around this sum to manage this risk in similar projects or programmes. Moderate stakeholder concern. Some impact to service delivery in other areas due to the financial impact of this occurrence.	Costing £250K - £500K. The exposure is demonstrably around this sum in order to manage an occurrence of this risk. Reasonably high interest by stakeholders in the level of loss. Notable impact to service delivery in other areas due to the financial impact of this occurrence. The head of finance is to be alerted when a risk reaches this impact.	Costing >£500K, <£5M. The exposure is demonstrably around this sum in order to manage an occurrence of this risk. Very significant interest by stakeholders in the level of loss. Major impact on service delivery in other areas due to financial impact of this occurrence. The head of finance is to be alerted when a risk reaches this impact.
2. Headroom after impact on capital funding strategy				
£10M upwards	Between £5M - £10M	Between £2M - £5M	Between £1M and £2M	<£1M, >500K
3. Minimum cash balance				
At least £5M	Between £2.5M and £5M	Between £1M and £2.5M	Between £500K and £1M	No lower than £500K
4. Regulatory risk				
In the event any statute is breached, it carries little damaging financial or reputational impact i.e. fines <£10K concerning a localised technical matter. Avoid anything that could be challenged, even unsuccessfully.	Relatively low profile statutory requirement may not be delivered adequately Fines >£10K up to £25K if council found in breach of relevant Act Want to be very sure we'd win any challenge.	Well established statutory requirement may not be delivered adequately Fines £25K - £50K if council found in breach of relevant Act Limited tolerance for sticking our neck out. We want to be reasonably sure we would win any challenge.	Important statutory requirement may not be delivered with potentially serious implications. Fines £50K - £250K if council found in breach of relevant Act Challenge will be problematic but we are likely to win it and the gain will outweigh the adverse consequences.	Fundamental statutory requirement may not be delivered satisfactorily with potentially very serious implications. Fines over £250K if council found in breach of relevant Act. Chances of losing are high and consequences serious. However, a win would be seen as a great coup.
5. Reputation risk				
A low level of interest in a particular council activity. A sideline in specialist press. Localised criticism. Managed situation with director/head of service briefed.	Front page news in local press. No particular national interest beyond sidelines. Managed situation with managing director/leader briefed.	Some national publicity or media criticism for no more than two/three days. Sustained criticism over 1-2 months amongst local press/public and/or specialist press.	Some national publicity or media criticism lasting no more than a week. Sustained criticism over 3-4 months amongst local press/public and/or specialist press. Could take up to three months to restore credibility.	Widespread criticism originating from all quarters of the press / the general public. It will take more than 6 months to restore credibility amongst stakeholders.

Appendix C3 – risk appetite statements.

		Could take up to a month to restore credibility.	Reputation tarnished in longer term. Senior officers criticised for actions undertaken by the council.	Reputation is massively damaged and confidence lost towards senior officers and elected members.
low appetite	**low/medium appetite**	**medium appetite**	**medium/high appetite**	**high appetite**
6. Council services				
Has low level impact on the council's ability to deliver key services. May affect an aspect of performance management but overall target likely to remain unaffected. 1 day disruption.	Moderate impact on the delivery of any key service. Recoverable but will be delays of up to 2-3 days in returning to normal.	Has a medium level impact on the council's ability to deliver key services. Recoverable but will be delays of up to a week in returning to normal.	Impacts one key element of the council's strategic plan. Takes over a week but less than a fortnight to recover and return to pre-risk occurrence state.	Has a high level impact on the ability of the council to deliver more than one key element of the council's strategic plan. Over a fortnight to return to normal.
7. Operational risks in the execution of business plans				
The uncontrolled impact would be no more than moderate at operating unit level. It would be controllable to a lower assessment status and not affect the wider council	The uncontrolled and/or controlled impact would be no more than moderate at operating unit level. It would be controllable and not affect the wider council. Small delays to major project.	Would have a major uncontrolled impact at the directorate level that may possibly lead to a wider council impact. Key milestones to major project or initiative slip.	Would have a major uncontrolled impact at the directorate level and with clear reasons that would likely lead to a wider council impact. Key milestones to major project or initiative slip.	Significant council wide impact. Major failing in the delivery of a key project or initiative. Would meet criteria for key operational risk.
8. Risk related decision making, especially in relation to new business opportunities				
Many such opportunities undertaken at local levels. Clear precedents exist with apparent transparent benefits. Little or no change to council's existing business structure. Minimal tolerance for any decisions which could lead to scrutiny of the council	Reasonably common area of business but without a vast number of competitors e.g. <10. Council required to make minor adjustments to address new ways of working. Tolerance for risk taking limited to those events where there is no chance of any significant repercussions for the council	New area of business with a small number of precedents. Moderate adjustments to address new ways of working. Some moderate staffing level changes.	Only one or two examples of similar work undertaken in the local authority environment. Significant modifications to address new ways of working. Considerable changes to staffing levels/methods. Appetite to take decisions with the potential to expose the council to additional scrutiny.	Completely new business area never assumed by any public sector organisation. Benefits cannot be based on previous experience because there isn't any. Appetite to take decisions that are likely to bring scrutiny of the council but where potential benefits are huge. Desire to break the mould and challenge current practices.

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