
Strategic and Operational Risk Registers / Health & Safety Data

Audit and Risk Committee

Date of meeting: 22nd November 2022

Lead director: Miranda Cannon

Useful information

- Ward(s) affected: All Wards
- Report author: Sonal Devani
- Author contact details: (0116) 454 1635 / 37 1635; sonal.devani@leicester.gov.uk
- Report version number: Version 1

1. Summary

The purpose of this report is to provide to the Audit and Risk Committee (A&RC) an update on the Strategic and Operational Risk Registers and Health & Safety data:

- **Appendix 1**, the **Strategic Risk Register (SRR)** provides a summary of the strategic risks facing the council affecting the achievement of the strategic objectives of the council and **Appendix 1a** is an example of a completed risk control action plan – more detail at section 4.1 and to further consider whether all risk control action plans are to be included as part of this report;
- **Appendix 2**, the **Operational Risk Register (ORR)** exposure summary, provides a high-level summary of the operational risks, which affect the day to day operations of divisions. Such risks are assessed by Divisional Directors with a risk score of 15 or above for consideration;
- **Appendix 3**, the **ORR**, supports **Appendix 2** (the summary of the ORR) which provides the detail in relation to the council's operational risks;
- **Appendix 4, Health and Safety report and data** including an early update on the revised corporate audit programme and initial outcomes.

2. Recommended actions/decision

A&RC is asked to:

- Note the SRR and ORR (as at 30th September 2022)
- Note the Health and Safety Data;

Make any comments to the Director of Delivery, Communications and Political Governance

3. Background

- 3.1 The Council's 2022 Risk Management Strategy requires the development, maintenance and monitoring of both the SRR and ORR.
- 3.2 Both the SRR and ORR process is owned and led by the Head of Paid Service. The Corporate Management Team collectively support the strategic risk register process documenting the key strategic risks facing the council and help to ensure

these are managed and the SRR is then submitted to the Executive for their consideration. It complements the operational risk register process which is supported and managed by the Divisional Directors in conjunction with their divisional management teams. Both registers are populated and maintained by the Manager, Risk Management for this group.

4. Detailed report

4.1 The Chief Operating Officer, Strategic Directors and the City Barrister met as the officer Corporate Governance Panel to undertake a fundamental review of the approach, structure and content of the Council's strategic risk register. In undertaking the review, the panel used a **PESTLE** analysis as a framework for considering the wider context and environment and the risks that this gives rise to. PESTLE is a mnemonic which stands for '**Political, Economic, Social, Technological, Legal and Environmental**'. This approach proved very effective at prompting risks in terms of different contextual factors. It is proposed that these themes continue to be used for the SSR in future which have been built into the new approach. In future, individual risk owners for the SRR will be Strategic Directors and/or those with statutory roles such as the Monitoring Officer and Section 151 officer (specific actions relating to the risk may be owned and delivered by other Directors and Senior Officers). This ensures there is robust strategic ownership and oversight of the most significant risks facing the organisation.

The summary (**Appendix 1**) in future will indicate risk scores from previous risk reporting cycles including the variance in scores between the current and previous cycle (as the SRR has been fundamentally reviewed this period and is presented as a new set of strategic risks, it is not possible to demonstrate this in this cycle). Each risk in the summary is then supported by a more detailed risk control and action plan document capturing existing risk controls and also proposed further actions/controls (unless the risk strategy is to tolerate the risk without further controls). **Appendix 1a** provides an example of a completed risk control action plan which illustrates how it is intended to reduce the level of the risk by implementing further controls and the target date in which the control is to be implemented by.

The below matrix provides an indicator of the status of the council's strategic risks in terms of likelihood and impact using the risk scoring from the SRR Register. Those risks in the **red quadrant requires robust challenge, regular review and monitoring** and consideration for further controls where appropriate. Those in **yellow also require regular review and monitoring** to ensure they do not escalate to a red risk, and there are a number of these with a major impact. A significant proportion of the strategic risks are within the red quadrant which is reflective of the challenging context that all organisations are operating within at the current time, not least in relation to the economic impacts facing everyone.

LIKELIHOOD (A)	Almost Certain 5				1.1 2.2 4.1	2.1 2.3
	Probable / Likely 4			4.2 4.3 5.1	3.1 3.2 6.1	
	Possible 3					5.2
	Unlikely 2				1.2 3.3	
	Very unlikely/ Rare 1					
	Insignificant/ Negligible 1	Minor 2	Moderate 3	Major 4	Critical / Catastrophic 5	
IMPACT (B)						

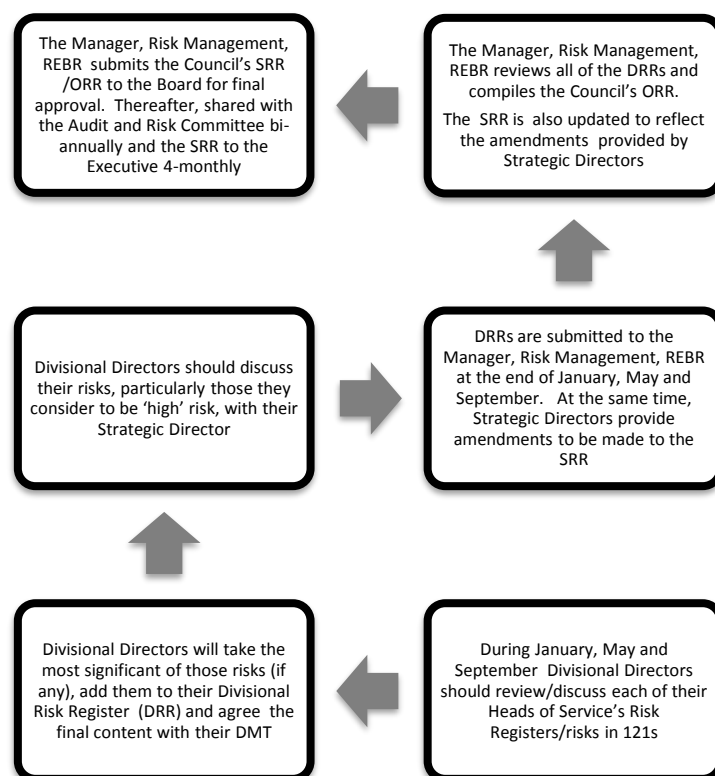
4.2 The risks in the ORR (**Appendix 2/3**) are presented by:

- Strategic Area (in alphabetical order);
- Then by Divisional Area (again within alphabetical order);
- Then by 'risk score' with the highest first.

4.3 The summary of operational risks attached at **Appendix 2** indicates the number of high risks for each department/strategic area. **Appendix 3** provides comprehensive detail of the risks in **Appendix 2**. With regards to the ORR, **23** existing risks have been amended, **2** deleted and **10** new risks were added this period and target dates were amended reflecting the next review deadline date. However, **10** risks have further amendments to the controls. These are **risk no's 7,10,12,15,26,27,28,29,30 and 32**. The addition of so many new risks is highly likely to be reflective of the challenging and uncertain financial and political environment that the Council is operating within Both appendices have been compiled using divisional risk registers submitted by each Divisional Director. The significant risks (scoring 15 and above) identified within these individual registers have been transferred to the council's ORR.

4.4 As a reminder, where a risk is '**deleted**' it does not always allude to the risk being eliminated. It refers to the risk score no longer being 'high' and it may well remain within the individual divisional register with a score below 15.

- 4.5 Both risk registers present the most significant managed/mitigated risks. Whilst there are other key risks, it is the view of Directors that these are sufficiently managed/mitigated for them not to appear in these registers. More detailed registers of operational risks are owned and maintained by individual Divisional Directors and their Heads of Service (and where appropriate their managerial and supervisory staff) as detailed in the Risk Management Strategy and Policy.
- 4.6 Audit and Risk Committee are reminded that the council's Risk Management Strategy refers to the process of embedding risk management within business areas. The risk registers allow this to be evidenced, but if this process is to be demonstrated as a method by which the council manages its risk profile, it has to be more than the regular submission of a register to REBR. The number of updates/changes to the risk registers is a positive indication of this, but the process of risk management must become a daily activity throughout the authority to be truly embedded indicating the council is managing its risk exposure.
- 4.7 Risk registers need to be working documents that can be sent to REBR for advice or discussed with line management and/or members at any time.
- 4.8 For clarity, the process for reviewing and reporting operational risks, in line with the council's Strategy, is as per the following flowchart:



4.9 Health and Safety Data

A total of **340** incidents were reported in the last reporting period. Of these, **155** were reported as near misses in Q4 21/22. In comparison, in this reporting period, **189** incidents were reported (**109 as near misses, 12 work-related illnesses and 68 injuries**) and **39%** of reported near misses were categorised as verbal abuse to staff who work with the public compared to **55%** in the last reporting cycle. In such cases,

personal safety and conflict resolution training should continue or a refresh. The majority of physical assaults result from a series of escalating steps with conflict and verbal abuse being an early warning sign. Managers have been reminded of incidents that should be reported and those that do not. Better quality, actionable data is coming through allowing for better analysis of risks as well as opportunities for improvement and the quality of reactive health and safety performance monitoring. More detail is at **Appendix 4**.

5. Financial, legal, equalities, climate emergency and other implications

5.1 Financial implications

‘There are no direct financial implications arising from this report’

Colin Sharpe, Deputy Director of Finance, Ext. 37 4081

5.2 Legal implications

‘There are no direct legal implications arising from this report’

Kamal Adatia, City Barrister – 37 1401

5.3 Equalities implications

‘Under the Equality Act 2010, public authorities have statutory duties, including the Public Sector Equality Duty (PSED) which means that, in carrying out their functions they have to pay due regard to the need to eliminate unlawful discrimination, harassment and victimisation, to advance equality of opportunity between people who share a protected characteristic and those who don’t and to foster good relations between people who share a protected characteristic and those who don’t.

Protected Characteristics under the Equality Act 2010 are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation.

The council also has an obligation to treat people in accordance with their Convention rights under The Human Rights Act, 1998.

The ability of the council to meet its duties under the Equality Act 2010 is specifically accounted for in the strategic risk register. However, equalities and human rights considerations cut across all elements of risk management, including strategic and operational risk management.

Some of the risks identified in the Strategic Risk Register (Appendix 1) would have a disproportionate impact on protected groups should the council no longer be able to effectively manage them and, therefore, the mitigating actions identified in the strategic risk

register support equalities outcomes. For example, should the council fail to safeguard effectively, this would have a disproportionate impact on the human right (prohibition of torture, inhuman or degrading treatment) of those from protected groups, such as age and disability. Likewise, a failure to engage stakeholders could lead to a failure to identify tensions arising in the city (particularly as the financial challenges impact on communities) leading to unrest in specific communities/areas of the city. This, in turn, would have an impact on the council's ability to meet the general aim of the PSED to foster good relations between people who share a protected characteristic and those who don't.

Effective risk management plays a vital role in ensuring that the council can continue to meet the needs of people from across all protected characteristics and, in some circumstances, will be particularly relevant to those with a particular protected characteristic. For example, some risks included in the operational risk register (relate to people with specific protected characteristics such as disability (children with special educational needs, people with mental ill health).

Therefore, the on-going work to update and consider risk management implications in making decisions and assessment of the effectiveness of the controls/ mitigation actions for the risks identified in the report and appendices, will support a robust approach to reducing the likelihood of disproportionate equality and human rights related risks, provided the mitigations/ controls themselves are compliant with the relevant legislation. The maintaining and monitoring of the Strategic Risk Register will support the delivery of the Council's corporate goals in ensuring that the identified risks are appropriately managed.'

Surinder Singh, Equalities Officer - 37 4148

5.4 Climate Emergency implications

'The risks associated with climate change such as increased flooding, heatwaves and droughts, their consequences and the council's management of these risks are the subject of risk 6.1 – Environmental within the SRR and risks 1, 2 and 3 for Estates & Building Services - Sustainability within the ORR . This allows for monitoring of the risks and consequences and the actions that are in place to control them, as well as further actions required. Following Leicester City Council's declaration of a Climate Emergency in 2019, climate change has been identified as one of the council's top three priorities to tackle. Further detail on the risks and impacts of climate change for the UK can be found in the official Met Office UK Climate Projections (UKCP)'

Aidan Davis, Sustainability Officer – 37 2284

6. Summary of appendices:

Appendix 1 – Strategic Risk Register as at 30th September 2022

Appendix 1a – Example of completed Risk Control Action Plan (SRR 2.3 Financial Sustainability)

Appendix 2 – Operational Risk Register Summary as at 30th September 2022

Appendix 3 – Operational Risk Register in detail as at 30th September 2022

Appendix 4 – Health and Safety Data

7. Is this a private report (If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)?

No

8. Is this a “key decision”? If so, why?

No