Strategic and Operational Risk Registers / Health & Safety Data

Audit and Risk Committee

Date of meeting: 15th March 2023

Lead director: Miranda Cannon

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 1a** 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 1b** is an example of a completed risk control action plan – more **detail at section 4.1**;

- **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 31st January 2023)

- 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 2023 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 **PESTLE** has been implemented in the revised approach to the SRR 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' Appendix 1a** indicates which category of PESTLE the strategic risks relate to. A summary of the SRR in relation to each of these themes is set out at paragraph **4.2.** Individual risk owners for the SRR are Strategic Directors and/or those with statutory roles such as the Monitoring Officer and Section 151 officer (specific actions relating to the risk may are likely to 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 1a)** indicates risk scores from the previous risk reporting period including the variance in scores between the current and previous cycle. There has been **no change** on the strategic risk ratings this reporting cycle. This is perhaps to be expected given the very recent fundamental review and refresh of the SRR, and the continuing volatile financial and economic climate. Each risk in the summary is supported by a more detailed risk control action plan capturing existing risk controls and proposed further actions/controls (unless the risk strategy is to tolerate the risk without further controls). The summary indicates total number of **high** risks **(risk score between 15-25)** (taken from the operational risk register) impacting the identified strategic risks.

1 new strategic risk has been added to the SRR as follows:

- **3.4 – Socio-cultural** - Complexity of needs of Asylum Seekers and refugees, **risk score 20**

4.2 **Update on the Risk Themes (PESTLE)**

4.2.1 **Political**
Two strategic risks are under this theme and no new strategic risks have been identified. The uncertain political and policy environment remains a significant red risk to the organisation, and this is exacerbated by industrial action across a range of sectors which adds additional risk to service delivery and emphasises the importance of our embedded business continuity and incident management processes. Work has been undertaken by officers in relation to political governance, specifically to consider scenarios relating to local election outcomes in May and the implications of those scenarios such as a different political make-up and more opposition groups.

4.2.2   Economic
There are **three red rated strategic risks** under this theme reflecting the challenging economic context locally and nationally which is continuing to have significant impacts on both capital projects and revenue budgets. Risk scores have been reviewed and are remaining as red risks given this difficult context and the ongoing impacts. **No new risk added under this theme.**

Challenges remain in relation to the recruitment and retention of staff across a range of roles and work is continuing to develop and embed an approach to workforce planning across the council and the workforce challenges have been fed into early work and discussions with the local Universities as part of the Civic University Agreement. This risk causes concern around the ability to deliver across all council objectives and HR are focusing on supporting workforce health and wellbeing.

Financial sustainability remains the council's highest rated risk reflecting the very challenging budget position of the council which risks severely compromising service delivery impacting residents including the most vulnerable.

4.2.3   Socio-cultural
Four risks are under this theme which **includes a new risk** added to this category relating to the impacts arising from the numbers and complexity of needs of asylum seekers and refugees placing additional demands and pressures on services and risking tensions arising within communities. Significant work is being done to ensure appropriate governance and support for this area of work which is regularly reported to the Executive and also to Overview Select Committee. The impacts of cost of living on residents and subsequent demand for services remains a red rated risk in this theme. The council is continuing with an incident management structure to oversee the ongoing impacts and the council response to cost of living.

4.2.4   Technological
There are **three strategic risks** under this category. **No new strategic risks** have been identified under this theme. Technology and data remain fundamental to council operations and the risk of disruption to the technology infrastructure remains a high rated risk particularly given the impact such disruption would have. The council has implemented improvements to mitigate against the risks. There continues to be a focus as part on ongoing business continuity planning and training on achieving continuity of service delivery should there be a sustained disruption to council systems. Work is underway to continue to establish platforms which will better support the integration of key systems.

4.2.5   Legal
No new strategic risks have been identified under this theme, which has **two strategic risks** of which one scores as a red risk and one medium. It

remains critical that the council continues to focus on delivering any improvements arising from external audit, inspection and reviews and learn any lessons arising from interventions in other authorities.

4.2.6 Environmental
No new risk added under this theme. There is **one strategic risk** under this theme which focuses on the significant risks arising from the impacts of climate change. Tackling the climate emergency remains a critical council priority with work ongoing to develop a new climate emergency action plan which will encompass a wide range of ongoing and proposed new actions across the council and sits alongside ongoing work with the Environment Agency on flood defence and local preparedness as part of the wider Local Resilience Forum for issues such flooding and hot weather.

4.3 The below matrix provides an indicator of the status of the council's strategic risks in terms of likelihood and impact. The risks in the **darker grey area quadrant requires regular reviewing and monitoring** and consideration for further controls and should receive the most challenge and given priority. Risks in the **medium grey area also require regular reviewing and monitoring** to ensure they do not escalate to the **dark grey** quadrant.

LIKELIHOOD (A)	Insignificant/ Negligible 1	Minor 2	Moderate 3	Major 4	Critical / Catastrophic 5
Almost Certain 5				1.1 2.2 3.4 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					

IMPACT (B)

4.4 Operational Risks Update

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.

The summary of operational risks attached at **Appendix 2** indicates the number of high risks for each department/strategic area. With regards to the **ORR**, **27** existing risks have been amended, **6** deleted and **4** new risks were added to the ORR this quarter.

Appendix 2 provides a summary of operational risks facing the council. **Appendix 3 provides in-depth details on the risks summarised at appendix 2. 18** risks had amendments to the controls. These are **risks 1, 6, 10, 11, 12, 13, 14, 15, 22, 23, 24, 25, 26, 27, 28, 29, 30 and 31.**

Both appendices have been compiled using divisional risk registers submitted by each Divisional Director. The most significant managed/mitigated risks (scoring 15 and above) identified within these individual registers have been transferred to the council's ORR.

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 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 on a timely basis. The updates/changes to the risk registers is a positive indication of this and the process of risk management is a daily activity throughout the authority to indicating the council is managing its risks and its exposure.

4.6 **Health and Safety Data**
A total of **189** incidents were reported in the last reporting period. Of these, **109** were reported as near misses in Q4 21/22. In comparison, in this reporting period, **171** incidents were reported **(84 as near misses, 6 work-related illnesses and 81 injuries**). With regards to near misses, this is a **33% decrease** compared with the previous reporting period and **55% lower** than Q3 21/22. **46%** of near miss incidents were incidents of verbal abuse and verbal threats. This is a significant reduction compared to **92% in the** same period 21/22. The majority of physical assaults result from a series of escalating steps with conflict and verbal abuse being an early warning sign. **14%** of reported near misses were non injury vehicle bumps and scrapes. Injuries in Q3 is **17%** more compared to the previous reporting period from **68 to 81**. Slips and trips are typically more common in the winter months and although there is an increase in the reporting period, there is a **25% reduction** in slips and trips Q3 22/23 compared to Q3 21/22. **81** Injuries were reported in Q3 which made up 42% of all incident reports is a **45% decrease** in injuries compared to the same period in 21/22, and 22% decrease compared to Q3 2020. There were

6 reports of work-related ill health in the reported period down from **12** work related ill health reports in the previous period.

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, Ext 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 report provides an update on the Strategic and Operational Risk Registers and Health & Safety data. The ability of the council to meets 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 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, Ext 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 are considered through the ORR process. 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, Ext 37 2284

6. Summary of appendices:

Appendix 1 – Strategic Risk Register as at 31st January 2023

Appendix 1b – Example of completed Risk Control Action Plan

Appendix 2 – Operational Risk Register Summary as at 31st January 2023

Appendix 3 – Operational Risk Register in detail as at 31st January 2023

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