

Risk Management

Progress Report

March 2023

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Introduction

The purpose of this report is to provide an update on:

- The activities being undertaken to support the Council in developing a culture of being 'Creative & Aware of Risk'* in line with the agreed risk appetite.
- The key strategic risks facing the Council.

It is also to provide assurance on the effectiveness of the Councils risk management arrangement.

**The Council wishes to be creative and open to considering all potential delivery options, with well measured risk taking whilst being aware of the impact of its key decisions*

Key Messages

Strategic Risk Register

Our strategic risks continue to be managed and monitored pro-actively. Risk controls continue to be identified as either measured or un-measured, allowing for an insight into their impact on the management of the risk it controls. Further work to embed measurable controls in the strategic risk management review process has been completed. The strategic risk register is attached at *Appendix 1*.

Key changes to the strategic risks are as follows:

- Inflation – The impact for this risk has moved from a 4 – Critical, down to a 3 – Major. This reflects the ongoing work to minimise the impact of inflation on the Council and its objectives.
- Market Supply, Adults – The direction of travel for this risk has been changed to Deteriorating, this reflects the national picture of external care providers and their workforce.
- Serco Contract – The impact for this risk has moved from a 4 – Critical, down to a 3 – Major. This is due to the extension of the IMT section of the contract.

Assurance Levels Comparison

September 2022	March 2023
7 Risks Substantial Assurance	8 Risks Substantial Assurance
6 Risks Limited Assurance	5 Risks Limited Assurance

Strategic Risk Register Updates

September 2022	March 2023
<p>Safeguarding Children Substantial Assurance Improving Direction of Travel</p>	<p>Substantial Assurance Improving Direction of Travel - Continued substantial assurance around this risk, regularly evidenced by Ofsted reports.</p>
<p>Safeguarding Adults Substantial Assurance Improving Direction of Travel</p>	<p>Substantial Assurance Improving Direction of Travel - The risk is managed effectively; controls provide a good level of assurance.</p>
<p>Resilience – Business Continuity Substantial Assurance Static Direction of Travel</p>	<p>Substantial Assurance Static Direction of Travel - There continues to be a good level of assurance around the controls and the risk is being effectively managed.</p>
<p>Transformation Programme Substantial Assurance Improving Direction of Travel</p>	<p>Substantial Assurance Improving Direction of Travel - There have been further improvements to governance around this particular risk, the assurance level remains substantial.</p>
<p>Budget – LCC Substantial Assurance Static Direction of Travel</p>	<p>Substantial Assurance Static Direction of Travel - Continued substantial assurance due to ongoing work.</p>
<p>Serco Contract Substantial Assurance Static Direction of Travel</p>	<p>Substantial Assurance Improving Direction of Travel - A much improved risk due to the extension of the IMT aspect lowering the impact on the Council.</p>
<p>Outstanding Debt Substantial Assurance Improving Direction of Travel</p>	<p>Substantial Assurance Improving Direction of Travel - Good governance and procedures in place to lower outstanding debt amounts.</p>
<p>Inflation Limited Assurance Improving Direction of Travel</p>	<p>Substantial Assurance Improving Direction of Travel - This is an improved risk, with lower impact and substantial assurance. This is due to the work undertaken to mitigate the impacts on the Council. Inflation is now built into budget setting.</p>

September 2022	March 2023
Recruitment / Staffing Limited Assurance Static Direction of Travel	Limited Assurance Static Direction of Travel - This risk remains at limited assurance, despite ongoing work in hard to recruit and retain areas. Without this work, this risk would be at deteriorating direction of travel.
Market Supply – Adult Care Limited Assurance Static Direction of Travel	Limited Assurance Deteriorating Direction of Travel - Nationally the care sector is volatile, this impacts on our ability to source adult care providers. Work is ongoing to improve this risk, including intervention, winter discharge funding distribution via grant agreement.
Strategic Contracts Limited Assurance Improving Direction of Travel	Limited Assurance Improving Direction of Travel - No change to the assurance level for this risk. However, strategic contracts are now reported at CLT with metrics to highlight contractors facing difficulties.
Cyber Security Limited Assurance Improving Direction of Travel	Limited Assurance Improving Direction of Travel – No change to the assurance level for this risk, however new controls have been added and work is ongoing
IT Infrastructure Limited Assurance Improving Direction of Travel	Limited Assurance Following a recent appointment this risk and its associated controls are being given further consideration but it is considered the overall direction of travel is improving.

Sharpcloud

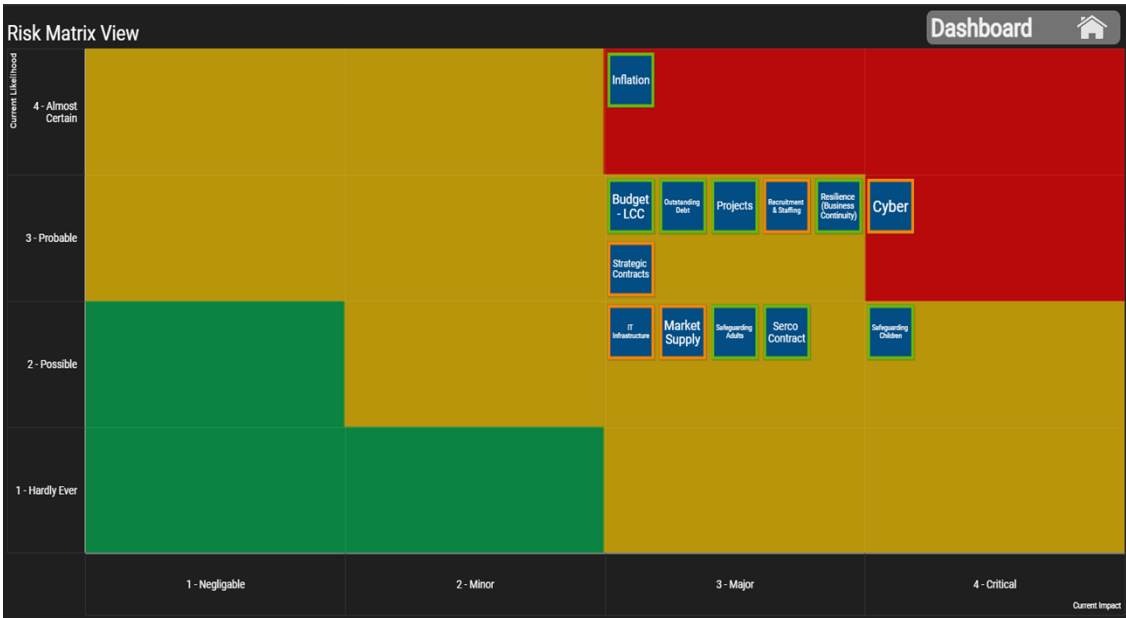
As part of our strive for continuous improvements in the way risk management is operated within the Council, following approval from the Corporate Risk and Safety Steering Group (CRSSG), we have purchased the Sharpcloud system to facilitate risk management recording and data insights across the Council. Sharpcloud is a cloud based, visual, interactive, data insight software system.

Sharpcloud currently holds the strategic risk register, directorate risk registers and multiple service risk registers from across the Council. Work is ongoing to add more services onto

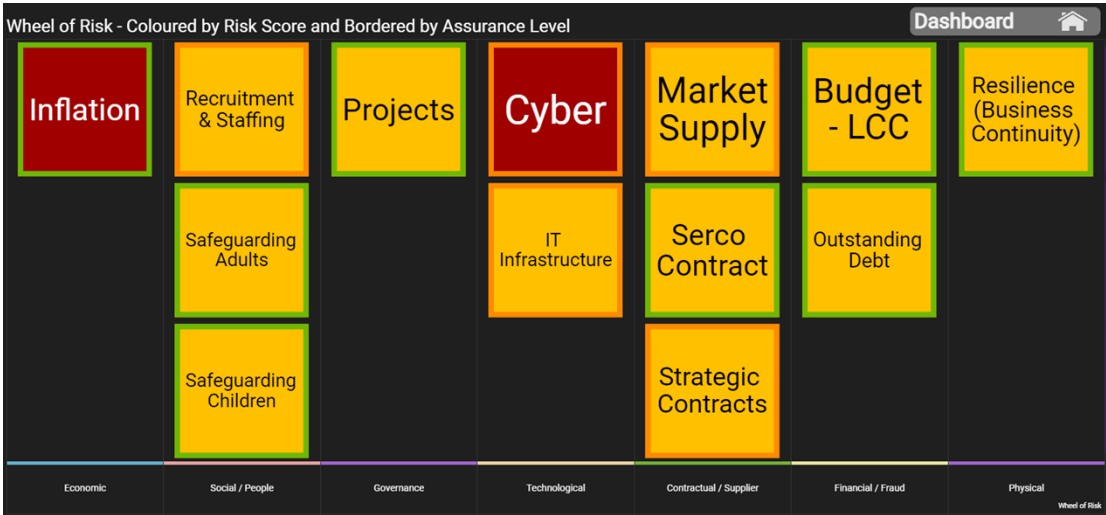
Sharpcloud, with a particular focus around the Adults and Place directorates next. Following a risk management bid at the CRSSG, we received approval to purchase an additional 40 Sharpcloud viewer licenses. These will allow users to review risk registers within Sharpcloud, further embedding risk management across the Council.

We will be providing training on the new system, Sharpcloud during the next few months which will then enable Committee members to directly view the risk data held on Strategic Risks. Below are some screenshots to give an example of how the data will be displayed in Sharpcloud. The strategic risk register has been used as the example.

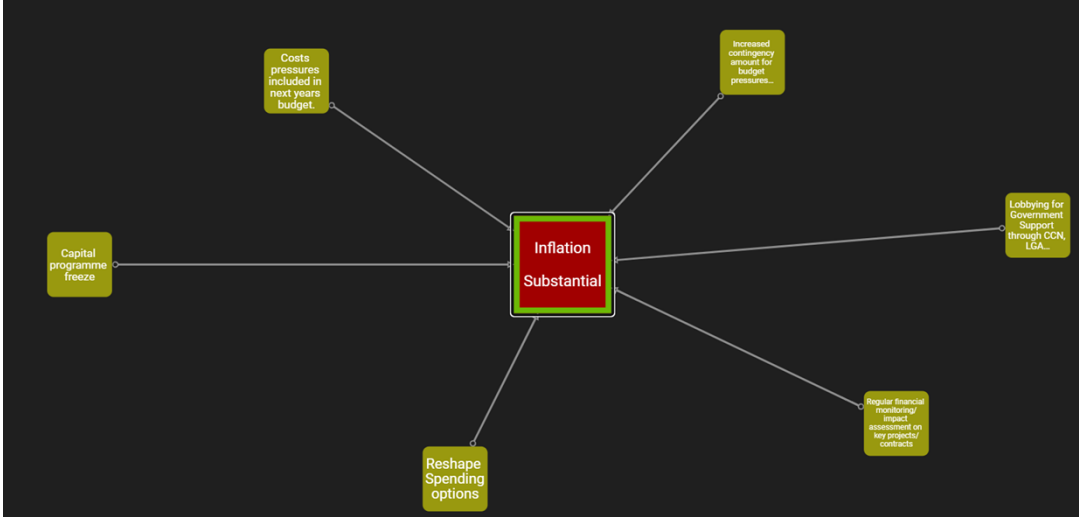
The risk matrix view, showing the risks plotted on our 4x4 risk matrix, bordered by their assurance status.



Risks plotted by their category of risk, coloured by their position on the risk matrix and bordered by their assurance status



An exploded view of the risk, surrounded by and related to its controls. Controls are coloured as dark green, so measured, light green is unmeasured. The risk is coloured by its position on the risk matrix and bordered by its assurance status.



Sharpcloud allows for further insights into items within it, whether risks or controls. Below is a screenshot of the information behind a risk.

Behind each risk are all the key attributes of the risk, its scores, target scores, assurance levels and direction of travel. It also lists all of the risks controls. It can also hold links, documents, pictures, videos and any other attributes. The hope is to store information related to the risks in here, as well as regular updates on the notes and updates section.

Sharpcloud Training

Sharpcloud training for audit committee will follow shortly. A useful demonstration of Sharpcloud can be found below:

[Enterprise Risk Management | SharpCloud](#)

Risk Management Audit Action Plan

The team continues to work on the action plan created as a result of the external risk management audit. A copy of the action plan can be found in *Appendix 2*.

These are the key updates:

- Horizon scanning is included at Corporate Risk and Safety Steering Group (CRSSG) and is now reported to Audit committee as part of the risk management progress report.
- A discussion was held at CRSSG and determined that current training was adequate, however further training for elected members will be set up and a training plan will be drawn up.
- Work is underway to review risk as part of overall performance reporting, with a view to accessing the data at source (Sharpcloud datapool). This is a corporate project.

Looking Forward

What we said

Implement and work through an action plan of recommendations following the recent risk management audit

Report regularly to CLT for as long as is required with the red risks & issues.

Continue to work with services in getting either up to date risk registers or ensuring that they are aware of their operational risks and report to risk management on a regular basis.

Populate and use the new risk management software system Sharp Cloud to improve reporting.

What we have done

Work on the risk management audit action plan has started, with some areas completed and the remainder planned (*Appendix 2*)

CLT agreed a separate report was no longer required. Red risks and issues now report to the Corporate Risk and Safety Steering Group (CRSSG) and will be escalated as required.

The Resources directorate continues to report risk registers. Children’s and Adult Care and Community Well-being have also began reporting risk registers. Work has begun with the Place directorate.

Sharpcloud, a dashboard has been created, demonstrations and testing is beginning with various officers across the Council. All supplied risk registers are currently replicated on Sharpcloud.

What we are going to do

We will continue working through the risk management audit action plan.

Take the first report for red risks and issues into the Corporate Risk and Safety Steering Group (CRSSG), at the next meeting in March 2023.

We will work with the Place directorate to assist with risk registers across the services and assistant director areas. We will also assist in facilitation of a risk management session at the Place Directorate Leadership Team

Sharpcloud will continue to be developed and testing will continue, licenses will be allocated to allow further testing and feedback.

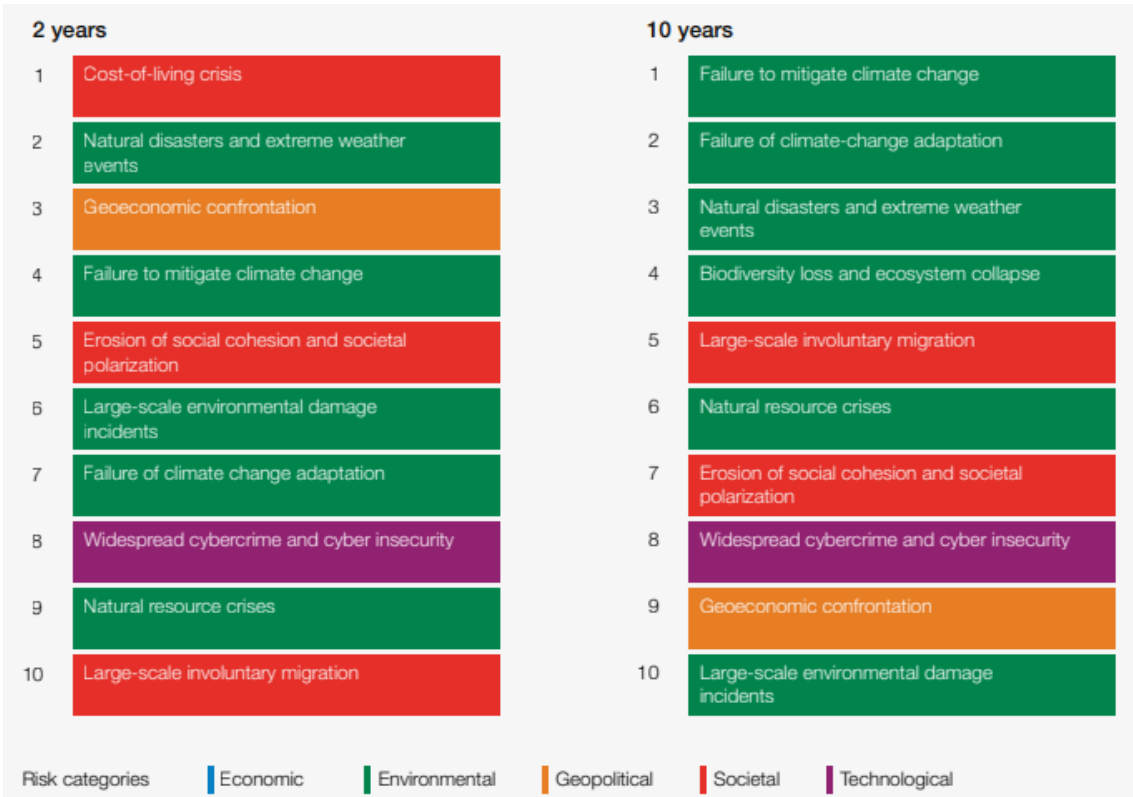
Horizon Scanning

To ensure that we keep aware of arising risks, we utilise our professional bodies, local relationships and relevant risk publications.

A current topic of interest is sustainability, linked to our Green Master Plan and our commitment to net zero in 2050. Nationally, sustainability is an area of risk which needs further exploration and whilst it has been considered as part of the latest risk review it needs to be explored further in line with the principles in our Green Master Plan to ensure any risks are appropriately identified.

As a further part of horizon scanning, we have reviewed the World Economic Forums Global Risk Report 2023 – Top Ten Risks. To summarise, five of the short term top ten risks are linked to the environment. For the long term top ten risks, six of these are environmental risks (extract below).

This further evidences the need for additional risk work in this area. As part of our risk reviews with directorates, we will explore this risk area further.



A link to the document can be found here:

[WEF Global Risks Report 2023.pdf \(weforum.org\)](https://www.weforum.org/reports/global-risks-report-2023)

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