

Risk Management Strategy 2023 – 2025

INTRODUCTION

1. East Renfrewshire Council is a complex organisation, providing a diverse range of services to over 100,000 people living and working here. It works with other public, private and voluntary bodies to make East Renfrewshire a better place for people to live and work to achieve our agreed outcomes and priorities.
2. East Renfrewshire Council is committed to ensuring a proactive approach in recognising, identifying and managing the risks impacting on us and it is recognised that a certain amount of risk is inevitable to achieve our objectives.
3. The aim of risk management is to reduce the likelihood and/or impact of risk by identifying and controlling risks. Strong oversight at both a corporate and departmental level can ensure risks that are managed appropriately, offering an opportunity for innovation and effectiveness in our approach to service delivery and strategic outcomes.
4. The Council looks to ensure key risks are identified in all areas of the business, and are understood and managed proactively rather than avoided. Risk management therefore needs to be taken into the heart of the Council and our key partners.
5. This Strategy has been considered by the Audit and Scrutiny Committee and will be considered and approved by the Cabinet.

CONTRIBUTION TO COMMUNITY PLANNING OUTCOMES

6. The Risk Management Strategy 2023 - 2025 supports the vision for East Renfrewshire set out in the Community Plan of “An attractive and thriving place to grow up, work, visit, raise a family and enjoy later life” by ensuring that the Council takes steps to ensure risks are identified, reviewed and addressed (mitigated) as appropriate.

CONTEXT AND EVIDENCE BASE

7. East Renfrewshire Council introduced its first strategy for addressing risk management in June 2004. Since then steady progress has been made in embedding risk management throughout the Council and risk management is now an integral part of our service planning process.
8. The previous Risk Management Strategy 2017 – 2020 was due to be reviewed and updated but this work was delayed due to Covid-19 and other associated priorities. This Strategy is considerably shorter as the approach to risk management has been removed and incorporated into an associated Risk Management Framework 2023 – 2025.
9. The Risk Management Strategy is based on supporting the 5 capabilities: Prevention, Empowering Communities, Data, Modernisation and Digital to seek opportunities to address and mitigate risks where appropriate and support work across the Council services.

WHAT WE WANT TO ACHIEVE AND HOW WE WILL DO IT

10. The Risk Management Strategy 2023 – 2025 objectives, outlined below, are a long-term commitment and an inherent part of good management and governance principles.

- Embed risk management approaches into how we run Council business/services which will help us to achieve our core purpose, priorities and outcomes
- Introduce a robust framework and procedures for identification, analysis, assessment and management of risk, and the reporting and recording of events, based on best practice.
- Support a culture of well-measured risk taking throughout the Council's businesses including strategic, programme, partnerships, project and operational.
- Ensure that the Council continues to meet all statutory and best practice requirements in relation to risk management
- Ensure risk management continues to be a key and effective element of our Corporate Governance arrangements.

11. These objectives will be achieved by:

- Maintaining a robust and consistent risk management approach that will –
 - Identify and effectively manage strategic, operational and project risks
 - Focus on those key risks that, because of the likelihood and impact, make them priorities
- Ensuring accountabilities, roles and responsibilities for management risks are clearly defined and communicated
- Considering risk as an integral part of business planning, service delivery, key decision-making process and project and partnership governance
- Communicating risk information effectively through a clear reporting framework
- Increasing understanding and expertise in risk management through targeted training and the sharing of good practice

12. The term “risk appetite” describes our attitude towards the amount of risk that the Council is prepared to accept in trying to achieve our outcomes. The attitude towards risk can differ across our services, from risk averse to risk taking. Risk appetite is all about taking well thought through risks where the long-term rewards are expected to be greater than any short-term losses.

13. East Renfrewshire Council's approach is to minimise its exposure to reputational, compliance and financial risk where statutory requirements and regulations must be met, whilst accepting and encouraging an increased degree of risk in pursuit of innovation and

improved outcomes, providing we have the ability, skills, knowledge and training to manage those risks well. It is recognised that its appetite for risk varies according to the activity undertaken, and that acceptance of risk is subject to ensuring that potential benefits and risks are fully understood before developments are authorised and that the appropriate measures to mitigate risk are established.

14. The Council's appetite for risk across its activities is illustrated below. Guidance has been included in the Risk Management Framework around risk appetite in relation to the scale from 1 to 10 based on the probability and impact measures in Appendix 2 of the Risk Management Framework

	Unacceptable to take risk					Higher willingness to take risks				
	1	2	3	4	5	6	7	8	9	10
Reputation										
Compliance										
Financial										
People and Culture										
Operational Services										
Major Change Activities										
Environmental and Social Responsibility										

15. In addition, a Risk Management Framework 2023 – 2025 has been developed which sets out in detail East Renfrewshire Council's approach to risk management and will support implementation of this Strategy.

ADDITIONAL INFORMATION

Consultation

16. Input to this Strategy was sought from the Corporate Management Team, colleagues across the Council involved in risk management, the Data Protection Officer and the Strategy and Partnerships Manager.

Environmental Sustainability, Equalities, Finance and Efficiency, Partnership Working

17. An Equalities Impact Assessment (EQIA) screening was undertaken and concluded that given the area of work of this strategy a full assessment was not required as it does not constitute a strategic direction, has no relevance in relation to protected characteristics, human rights or socio-economic inequalities and that any risks which may require an EQIA would be addressed by the Department/Service directly.

18. Following discussion with the Data Protection Officer there is no requirement to consider privacy in terms of this strategy as it is overarching and not directly related to processing activities.

19. A Climate Change Impact Assessment (CCIA) was completed on the assumption that any risks which could have a Climate Change Impact would be assessed and addressed by the Department/Service directly. The CCIA concluded that there were no climate impacts for this Strategy.

20. There are no specific considerations for the Risk Management Strategy in relation to finance, efficiency or partnership working although it is noted that some risks identified may be as a result of work in these areas and should be treated accordingly with appropriate measures undertaken by Departments/Services as required.

Risk

21. The Risk Management Strategy seeks to support services to identify and respond appropriately to any risk associated with work being undertaken by East Renfrewshire Council. There are no specific risks identified in relation to the Strategy itself at this time.

PERFORMANCE MANAGEMENT ARRANGEMENTS

22. Risk Management should be thought of as an “ongoing” process and as such risks will be reviewed regularly to ensure that prompt and appropriate action is taken to reduce to likelihood and/or impact.

23. It is recommended that the frequency of risk reviews is undertaken as outlined below

–

Net Risk Level and Score	Frequency of Risk Reviews (applies to <u>all</u> risk registers)
<p style="text-align: center;">High 12-16</p>	<p>There are significant risks, which may have a serious impact on the Council and the achievement of its objectives if not managed. Immediate management action needs to be taken to reduce the level of net risk. Any net red risks at business unit level will be included, alongside corporate risks, in the Organisational Health reports to members.</p> <p>As a minimum review <u>monthly</u>.</p>
<p style="text-align: center;">Medium 4-9</p>	<p>Although usually accepted, these risks may require some additional mitigating to reduce likelihood if this can be done cost effectively. Reassess to ensure conditions remain the same and existing actions are operating effectively.</p> <p>As a minimum review <u>quarterly</u></p>
<p style="text-align: center;">Low 1-3</p>	<p>These risks are being effectively managed and any further action to reduce the risk would be inefficient in terms of time and resources. Ensure conditions remain the same and existing actions are operating effectively.</p> <p>As a minimum review <u>6-monthly</u></p>

24. Regular reporting through the Council's reporting system enables senior managers and Elected Members to be more fully aware of the extent of the risk and progression being made to manage them.

25. The Strategic Risk Register is included on the weekly agenda for the Corporate Management Team for discussion and is then considered biannually by the Audit and Scrutiny Committee and annually by the Cabinet.

SUPPORTING MATERIALS

26. Risk Management Framework 2023 – 2025

REPORT AUTHOR

Lorraine McMillan, Chief Executive, Lorraine.mcmillan@eastrenfrewshire.gov.uk 0141 577 3009

Gill Darbyshire, Chief Executive's Business Manager, gill.darbyshire@eastrenfrewshire.gov.uk 07718 422 036

Version Control

Version	Notes	Author	Date
1.0	Approved by Cabinet 23.02.2023	Chief Executive's Business Manager	23/02/2023
1.1	Risk appetite for reputational risk updated following discussion at Cabinet on 14/12/2023.	Chief Executive's Business Manager	05/01/2024