

To: Audit, Risk and Scrutiny Board

On: 22 March 2021

Report by: Director of Finance and Resources

Heading: “Risk Matters,” the combined risk policy and strategy

1. Summary

- 1.1 Risk Matters is formally reviewed with approval sought from the Board, every two years, and an interim review conducted by the Corporate Risk Management Group on behalf of the Corporate Management Team.
 - 1.2 In previous iterations of Risk Matters there have been incremental changes year on year as risk policy and strategy has evolved over time, with Risk Matters continually being well embedded throughout the organisation and well supported by all service departments (as evidenced in independent audit findings).
 - 1.3 Over recent months, the Corporate Risk Management Group (CRMG), in consultation with the Corporate Management Team and external risk advisors, has been leading on an in-depth review of Risk Matters. The CRMG believes that it is now time to take the risk policy and strategy to the next level, building on existing good practice, making sure it is fit for our time, ensuring it is supportive of the council's core two-year strategies for economic, social and financial recovery, and ensuring that good risk management adds value wherever it is applied.
 - 1.4. “Risk Matters – the next level” is presented in full in Appendix 1 for the Board to consider for approval.
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2. Recommendations

- 2.1 It is recommended that the Board approves “Risk Matters – the next level” in keeping with the Board's delegated authority for the council's risk management arrangements.

3. Background

- 3.1 The current risk management framework (encompassing our risk policy and strategy), is well established with strong buy-in and support for risk management across the organisation.
- 3.2 The current policy and strategy provides a solid foundation for all of the other elements within the framework to operate and there are effective tools and support to enable risk to be managed well. There is no suggestion that the current framework isn't working – this is about making some adjustments that will enable us to grow even more in our risk management maturity. We recognise that there is always room for improvement and development, and we would be complacent if we thought otherwise.
- 3.3 The framework was always designed to flex and adapt to the changing environment the council operates within with the resources available. The Corporate Risk Management Group recognised that now was the time to shine a lens on the current risk management arrangements and challenge them to ensure they (1) effectively support the here and now position of the council, particularly in respect of the two-year recovery strategies for the economy, social and financial environment, and (2) add even more value back into the organisation, both for now and into the future.

3.4 Reflecting the here and now

Renfrewshire Council has set out its [Road to Recovery](#), which includes a number of plans to address the stark impact of the Coronavirus pandemic in Renfrewshire. In the CRMG's review of the risk policy and strategy we have supported this with three specific changes that members are asked to agree within the context of approving the whole document:

1. Our **vision** – the council's risk management vision has been revised as follows:

"Good risk management practice will be embraced as an enabler of success, whether in times of social, financial and economic recovery, managing ongoing significant and 'business as usual' challenges or in pursuing opportunity and innovation."

2. Our risk **categories** – we have amended the definitions for strategic and corporate risks as follows:

"Strategic risks are outward in focus and represent threats or opportunities linked to the Community Plan outcomes and our two-year economic and social recovery strategies"

"Corporate risks are inward in focus and represent threats or opportunities linked to the Council Plan outcomes and our two-year financial recovery strategy"

3. **How the CRMG conducts itself** – the in-depth detail of this will be recorded in the Group's Terms of Reference, rather than Risk Matters, but essentially the group's updated remit (page 7 of the attached), will see use of meeting time and activities more effectively. While this change will undoubtedly add value, it is appropriate that it is noted here under 'Reflecting the here and now' as slight

changes to the CRMG, which is chaired by the Risk Manager, will in itself enable the Risk Manager to better support the current environment and challenges, getting more deeply involved in higher profile aspects of risk (page 20 of the attached).

3.5 Adding value for now and into the future

There are two further specific areas of change that members are asked to agree in the context of approving the whole policy and strategy and these relate to:

1. A **new category of risk** “business as usual.” This change will introduce a fresh and dynamic approach to how we see and address our business as usual risks. Business as usual risks are defined as are those that are not generally related to corporate priorities or ambitions but rather, are inherent to our organisation simply by default of the type of organisation that we are. For example, this risk category will cover risks such as information handling, cyber security, asset management etc. Importantly, this category of risk will be addressed differently when compared to strategic or corporate ones. Business as usual risks will no longer go through the risk management process (with assessment, evaluation and treatment recorded via risk registers), but alternatively, will be supported by a new assurance model, to be developed, where focus will be on acquiring assurance from service departments (specifically from all Heads of Service), that the organisational controls we rely on for these risks are being implemented in a way that provides assurance.
2. A **new activity for the Corporate Risk Management Group** – “Control deep dives.” Risk management is not always about eliminating risk but is about gaining a better understanding of the nature and scale of risks that could impact on objectives and then taking actions to reduce or mitigate them. It is important however to strike the right balance between too little control and over control. Control deep dive is a valuable exercise which involves detailed investigation of specific risk controls known to be in place, where we can explore in depth how much value each control brings to managing the related risks and this will help provide assurance that risk control is proportionate to risk or identify where risks are materially over or under-controlled. Control deep dive will therefore add further value to decision-making involving risk and better support the council in implementing effective risk management arrangements.

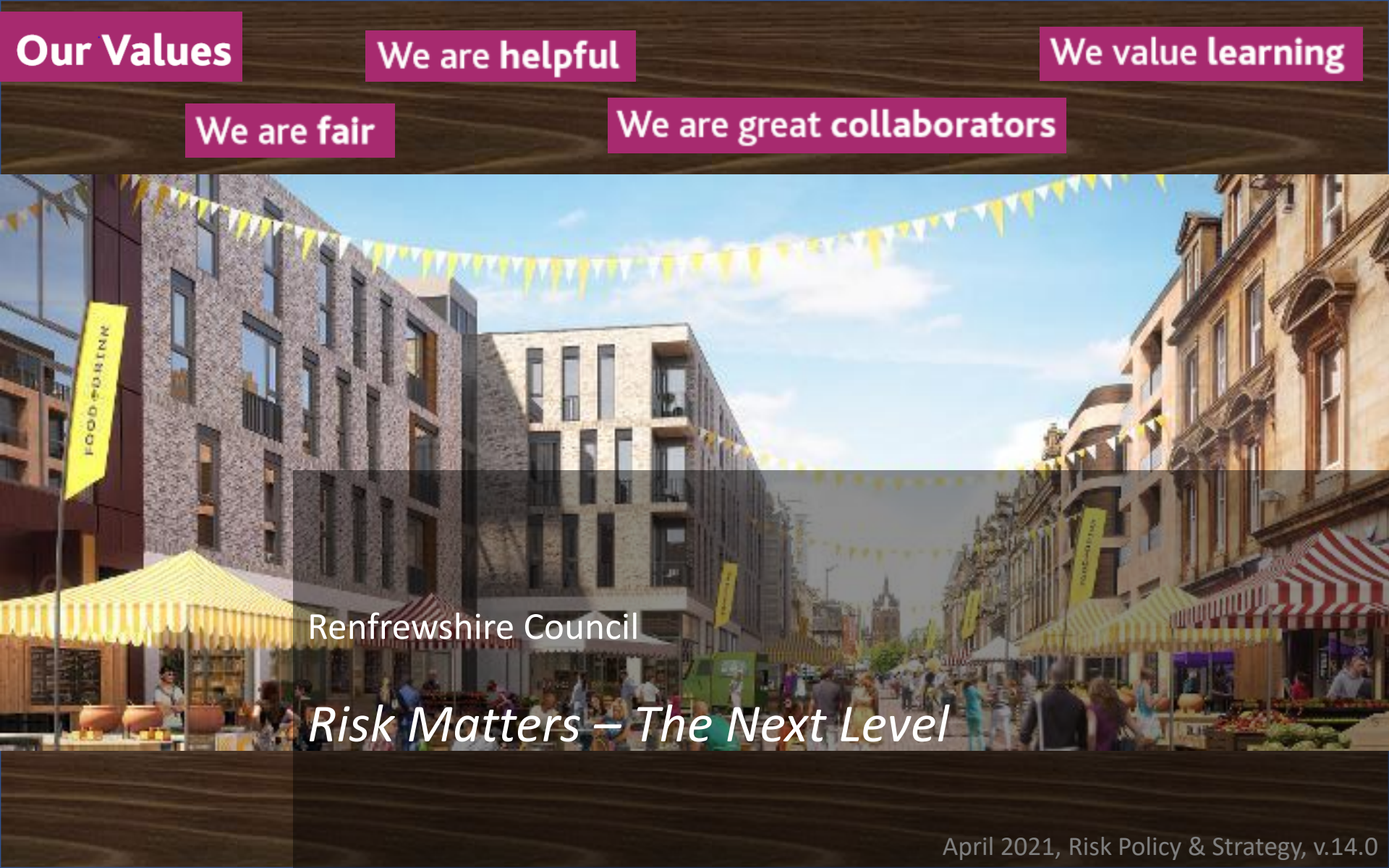
- 3.6 Paragraphs 3.4 and 3.5 have highlighted the material policy and strategy changes that are included in the revised Risk Matters attached. In looking through the appendix however, members will also note a distinct change in the document’s presentation. It is widely accepted that people have different learning and reading styles and we believe that presenting the council’s revised risk policy and strategy in this new format will be more engaging for our colleagues to read and understand. No content has been compromised in presenting the document in such a way and indeed by default it becomes an imminently accessible training document once approved and then published.
- 3.7 Taken together, we believe all these adjustments will serve the council’s approach well. Our “Risk Matters – the next level,” is forward thinking and innovative, it builds on the excellent risk foundation we have, it will give greater oversight and assurance and enable the council to test its appetite and tolerance of risk and check that we are operating as effectively as possible.

- 3.8 On approval of Risk Matters, the council's Strategic Risk Management Development Plan will be updated with all the development activity that will now commence to ensure full implementation over the next 12 months or so, and as was reported to Board on 23 November 2020, with the new policy and strategy taking effect from 1 April 2021, the next formal annual report, which will update the Board on progress, will be scheduled for May 2022.
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Implications of the Report

1. **Financial** - There are no specific financial risks associated with the provision of this paper. A key benefit of effective risk management is better use and prioritisation of the council's resources
2. **HR & Organisational Development** - key benefits of effective risk management include high levels of employee morale and productivity and further enhancement of the council's good reputation both as an employer and as a public service provider
3. **Community/Council Planning** – revised strategy supports strategic and corporate risks being aligned to community/ council plan outcomes
4. **Legal** - key benefit of effective risk management is a higher level of service user experience/ satisfaction with a consequent reduction in adverse incidents, claims and/ or litigation
5. **Property/Assets** - key benefit of effective risk management is better use and prioritisation of the council's resources/ assets
6. **Information Technology** - key benefit of effective risk management is better use and protection of the council's ICT resources/ assets
7. **Equality & Human Rights** - not relevant to report recommendations
8. **Health & Safety** - key benefit of effective risk management is a reduction in adverse health and safety incidents
9. **Procurement** - risk management principles are built into the council's procurement processes to ensure supply chain management and contract risks are addressed
10. **Risk** – as per the subject matter of this report
11. **Privacy Impact** – not relevant to report recommendations
12. **Cosla Policy Position** – not relevant to report recommendations
13. **Climate Risk** – risk management principles are key to effective climate risk management

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Our Values

We are helpful

We value learning

We are fair

We are great collaborators

Renfrewshire Council

Risk Matters – The Next Level

The Council promotes a culture where employees are encouraged to develop new initiatives, improve performance and achieve goals safely, effectively and efficiently by appropriate application of good risk management practice. In doing so we aim to protect vulnerable people, deliver high quality services for all service users, achieve high standards of performance, make the most of opportunity, and provide a safe environment for those we employ, contract or partner with in providing a wide range of services.

Our vision

Good risk management practice will be embraced as an enabler of success, whether in times of social, financial and economic recovery, managing ongoing significant and 'business as usual' challenges or in pursuing opportunity and innovation.

Our approach

We will encourage our people to manage risk well and will equip them with the skills to do so.

We will be risk aware, not risk averse.
We will embed good risk management practice into our business processes.

Risk Management Policy

Our principles

We will use risk data to make fair judgments/ good decisions.
We learn from the past to build a better and more resilient future.
We will work with our partners for the benefit of our citizens.

Our risks

We will adopt an industry standard for our risk management process.
We will be open about our risks and risk appetite; knowing when risks are acceptable to take or tolerate, or not.
We will ensure risks are handled in a way that will add most value to the business.

Signed: Alan Russell, Director of Finance and Resources, 26 February 2021

Risk Management Strategy

Our strategy is integral to our risk management framework.

Governance & Reporting – structures, roles and responsibilities for managing/ reporting on risks and the effectiveness of the framework and risk objectives.

Enablers - our fundamental building blocks for success; what we need to make risk management ‘happen.’

Process - a standardised way to identify, assess and evaluate risks consistently.

Application – areas of business activity where applying good risk management should add value and deliver results.

Risk Service – a dedicated resource for promoting and supporting the risk management framework.

Risk Management Framework

Risk Management Policy & Strategy

Governance:

Leadership, Reporting and Accountability
Board, Groups and Individuals

Enablers

Objectives
Guidance
People
Training
Development
eSystems

Risk Management Process

...linked to our risk appetite

Application/ Results

Policies
Planning
Performance
Budgeting
Project Mgt.

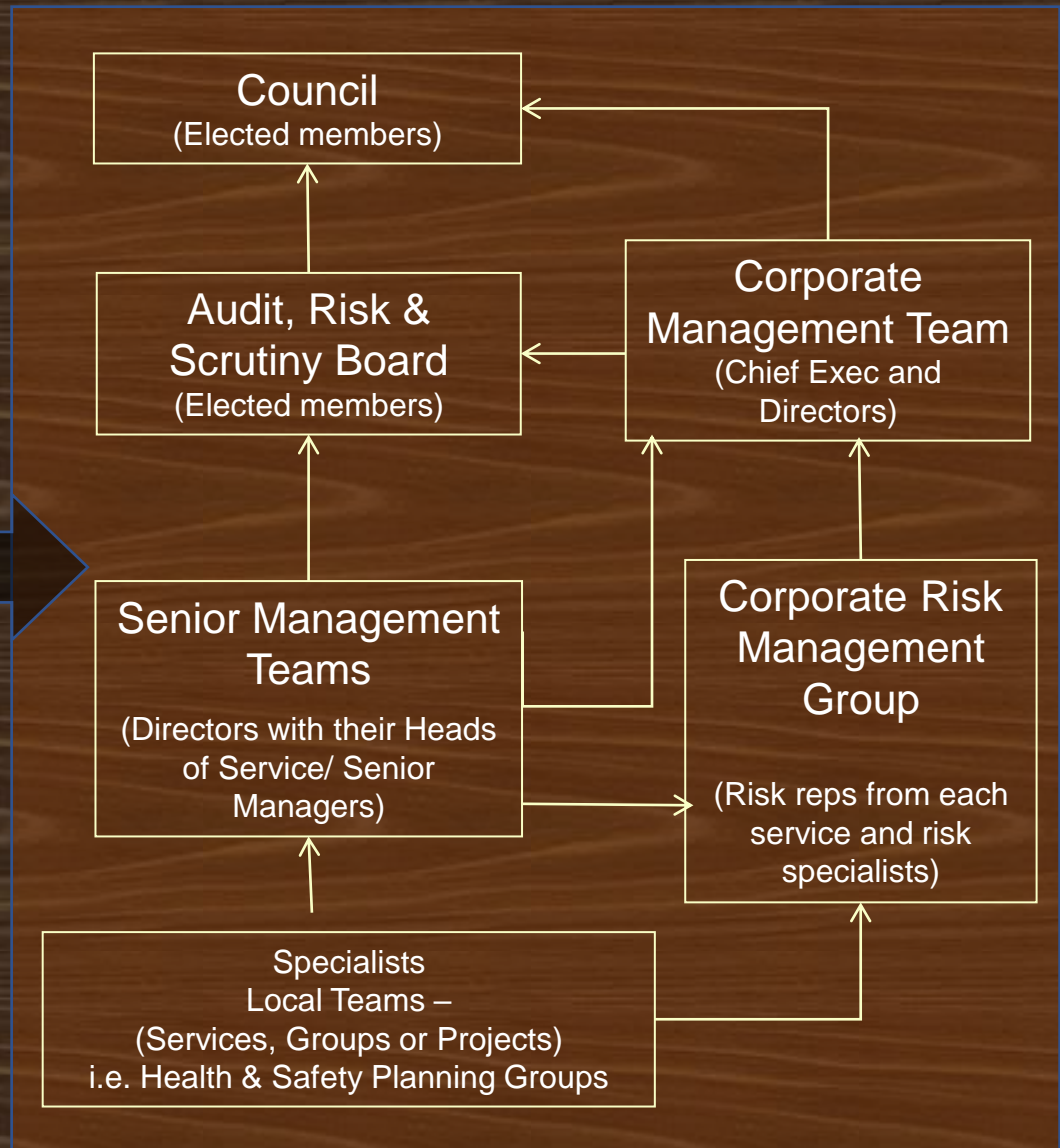
Supported by the Risk (and Insurance) Service

Governance

Roles and Responsibilities - Groups

Renfrewshire Council's [Scheme of Delegated Functions](#) specify matters which are the delegated responsibility of Boards and the Chief Executive; including risk management.

The diagram here shows how risk information flows throughout the council. Pages 5 to 8 set out the specifics of how this works and the various responsibilities.



Council and Policy Boards



The Council holds overall accountability for ensuring we have a suitable risk management framework in place so that significant risks are adequately identified and controlled. The execution of this risk related duty is delegated to the Audit, Risk & Scrutiny Board.

The Audit, Risk and Scrutiny Board (ARS), has authority to approve the risk management policy and strategy, consider the effectiveness of the risk management arrangements through the annual risk management report, and approve the strategic and corporate risk registers, and relevant service risks. In approving the risks, the Audit, Risk and Scrutiny Board is responsible for ensuring that risks within their remit are appropriately managed and that any further planned action is proportionate to the level of risk.


All policy boards consider recommendations in relation to any specific risks brought to the board as a matter of business as usual (through the risk implications section of Board Papers). Policy boards have a further responsibility to facilitate the sharing of learning across the council, from good practice or any events or near misses that identify trends and potential risk.

Corporate Management Team

In respect of the Risk Management Framework, the Corporate Management Team promotes a risk aware culture and encourages good risk management practice across all services and activities. The CMT ensures risk information and data is used to guide major decisions in areas such as policy development, service planning, performance monitoring, budget planning, investment programmes, change programmes, projects and partnerships. The CMT ensures that a member of the management team oversees the risk management framework on behalf of the Chief Executive, and ensures the remit of the risk service/ risk manager is clear. For reporting of risk information, the CMT ensures arrangements are clear and are implemented across the organisation. The CMT ensures that key performance measures are in place to check that risk management is in line with the risk management policy and strategy and ensures that risk management arrangements are reviewed at a minimum of every two years so that it remains fit for purpose and reflects best practice.

In respect of managing risk as part of its normal business reporting arrangements the CMT will regularly receive updates on risks relating to the council and community plan objectives and strategic recovery plans (economic, financial and social), ensuring that significant risks that could impact on key objectives or service delivery responsibilities are identified and responded to appropriately. On an annual basis the CMT will additionally review and agree the organisation's risk registers to be submitted to the ARS Board for approval, ensuring risk owners are clearly identified. The CMT will provide support to the Corporate Risk Management Group for undertaking deep dives into various risk control measures. The CMT maintain a clear understanding of the council's risk profile and how it relates to the council's appetite for risk. The CMT has a vital role in ongoing horizon scanning for potential new risks (opportunities or threats), yet encouraging innovation through appropriate and informed risk management.

Corporate Risk Management Group



In respect of the Risk Management Framework, the CRMG leads on implementing the Strategic Risk Management Development Plan (SRMDP) that supports delivery of the risk management policy and strategy. The Group develops and monitors key risk management performance indicators and prepares the risk management annual report on the effectiveness of the council's risk management framework in order to provide assurance to the ARS Board. The Group leads risk management initiatives across all services and facilitates sharing of good risk management between services. Risk 'specialists' who sit on the Group (the Risk Management Alliance) take forward specific initiatives related to the Group's remit and provide related regular updates.

In respect of managing risk, the Group oversees the annual refreshing of risk registers being submitted to the CMT for agreement and onwards submission to the Board for approval. The Group supports this process by submitting a mid-year progress report to the Board each year. The Group ensures that suitable arrangements are in place for the management of 'business as usual' risks across the organisation and undertakes deep dives on specific risks so that best value is delivered in managing risk, and that risks are not materially over or under controlled.

Risk Management Alliance (RMA)

The RMA comprises a small number of employees who work in risk-related roles (i.e. audit, risk management and insurance, health and safety, civil contingencies, information governance and facilities management), and adds further value to their roles in working closely together as subject experts and a subgroup of the Corporate Risk Management Group.

The RMA provides a central resource of expertise to the wider council and officers work jointly and closely together on various corporate either directly or through/ at the request of other council services. Through members of the RMA, services can often access other internal or external sources of expertise such as Police, Insurers and/ or Insurance brokers/ advisors.

Specialists, Local Teams (Services, Groups or Projects)

Service management teams regularly review their service risks and are clear on their top risks to be forwarded to the CRMG annually for inclusion in the council-wide risk report submitted to the ARS Board.

In addition, other teams, groups or specialists that meet and who often consider risk matters in one way or another (i.e. health and safety planning groups, the information management and governance group, or project teams), will be familiar with the council's risk management framework and ensure they access training and other services available to them through the council's Risk Manager or RMA. Such groups should also ensure they keep their service risk registers informed of their areas of work and any developing risks so that these can be captured in service risk registers where appropriate.

Governance

Roles and Responsibilities - Individuals

Individuals – the bubbles to the right show the named individuals who have specific roles in risk management – **over and above the responsibilities that all employees have**. Pages 10 to 14 set out the specifics in more detail.

**Elected
Members**

**Chief
Auditor**

**Chief
Executive**

**Director of
Finance &
Resources**

**Risk
Manager**

**Head of
Child Care
& Criminal
Justice**

**All
Directors**

**Service
Risk Reps**

**All Heads
of Service**

Elected Members

A significant aspect of an elected member's role is in making decisions for the council and the people of Renfrewshire. In considering any recommendations from officers relating to new policies/ proposals, members ensure they are aware of the risks and benefits involved prior to making their decisions. The 'risk implications' section on board papers will enable appropriate risk information to be provided and reviewed.

Chief Executive

The Chief Executive is accountable for the council's risk management framework, ensuring suitable and effective arrangements are in place to manage the council's risks.

The Chief Executive is supported in this role by the Director of Finance and Resources.

Director of Finance & Resources

The Director is directly accountable to the Chief Executive and is the CMT member responsible for overseeing the council's risk management framework and remit of the risk management function. The Director is responsible for leadership and co-ordination of the risk management agenda, for undertaking the role of 'Senior Information Risk Owner' and for ensuring any significant risk issues requiring attention are brought before the CMT. The Director of Finance and Resources is supported in their role by the Chief Auditor and the Risk Manager.

Chief Auditor

The Chief Auditor supports the strategic direction of risk management in the council, overseeing the work of the risk management service which includes delivering risk management guidance, training and development and risk software for recording organisational risks.

The Chief Auditor ensures that the strategic audit plan considers the council's key risks as well as key areas of organisational change for which risk is inherent, and ensures that the outputs of internal audit work similarly inform the strategic, corporate and service risks in terms of any required improvements identified.

Risk Manager

This role is an enabling role, encouraging officers to practice sound risk management. The role provides advice and guidance to services in implementing the council's risk policy and strategy and supports risk management in high profile areas of activity within the organisation.

The Risk Manager provides training and development opportunities for members, employees and partners through a variety of methods, such as linked to elected member training, management development programmes and projects.

As chair of the Corporate Risk Management Group and Risk Management Alliance, the Risk Manager ensures suitable arrangements are in place so that the CRMG can deliver best value in its activities for the council and make timely submissions to Board in relation to strategic, corporate and service risks and the risk management annual report.

Making sure insurable risk across the council is appropriately covered also falls within the remit of the Risk Manager

All Directors

Service directors and their senior management teams implement local arrangements in support of the risk policy and strategy (and associated guidance and procedures).

All directors are accountable to the Chief Executive, the Corporate Management Team and Policy Boards for managing risks within their areas of responsibility.

While service directors have accountability for the management of a risk within their service, they might not 'own' the risk control measures being implemented to manage the risks (e.g. implementation of policies developed by other services). In this case, the role of the director is to oversee that the controls are fit for purpose and operating effectively within their area of responsibility and liaise with directors who 'own' the controls should they have any concerns.

Service directors and their senior management teams will be supported in their risk management responsibilities by their nominated service risk management rep who will also represent the service on the Corporate Risk Management Group.

Service Risk Reps

The risk reps support corporate risk management activities, representing their service on the CRMG. Risk reps attend all CRMG meetings and take part in its activities (or arrange a deputy if required).

The risk reps actively promote corporate risk initiatives and training opportunities and play a valuable role in progressing risk KPIs and the Strategic Risk Management Development Plan. Locally, the reps support their directors, senior teams and colleagues to implement *Risk Matters*. The risk rep is the first point of contact for risk queries within their service.

A key role for the risk rep is to support their service in getting its risk information ready for Board – for strategic, corporate or service risks. Similarly, risk reps support their heads of service in providing assurance as to how their 'business as usual' risks are being handled.

The risk reps raise any significant service risks that require to be considered for escalation.

All Heads of Service

Heads of Service are required to ensure their employees are familiar with *Risk Matters* and associated guidance; they are accountable to their Director for managing risk across their remits.

Specifically, heads of service will regularly review and update the risks they own, either directly or on behalf of their Director or the CMT (whether these are strategic, corporate, service or project risks).

Similarly Heads of Service will be responsible for providing assurance as to how their 'business as usual' risks are being handled.

Within their teams, the Heads of Service ensure their employees understand the risk context in which they undertake their duties, they encourage their employees to promptly report any matters of concern and make sure that risk management skills and training needs are assessed and addressed.

Head of Child Care & Criminal Justice

Section 3 of the Social Work (Scotland) Act 1968 requires every local authority to appoint a professionally qualified Chief Social Work Officer (CSWO). The CSWO is a 'proper officer' in the social work function: an officer with particular responsibility on behalf of a local authority, where the law requires the function to be discharged by a specified post holder. The Head of Child Care and Criminal Justice is the council's specified CSWO.

The Chief Social Work Officer ensures the provision of effective and professional advice relating to the provision of social work services and assists understanding of the complexities of social work service delivery, particularly in relation to issues such as corporate parenting, **child protection, adult protection and the management of high risk offenders**. The CSWO has a role to play in overall performance improvement and significantly in the identification and management of risk insofar as it relates to social work services, including adult social work services delegated to the Renfrewshire Health and Social Work Partnership.

Governance

All employees



Good risk management should be embedded in the daily activities of every employee. By ensuring that decisions on risk management are taken locally rather than centrally, the council encourages local ownership of the process. All employees are encouraged to be actively involved in identifying current and potential risks where they work. Employees should make every effort to be aware of situations that might put themselves or others at risk, report identified hazards or concerns and take action to reduce risk. To do this it is important that employees:

- make sure they know the risks linked to their roles and activities;
- understand that how they behave in relation to risk could impact on their own and their client's/ the public's safety;
- make sure they know if they are accountable for particular risks and how to manage them;
- understand it's important that they can contribute to improvements in risk management and should be supported to come forward with ideas;
- understand that good risk management is part of Renfrewshire Council's 'DNA' and culture; and,
- quickly report to their line manager where they perceive new risks or problems with how existing risks are being managed. This includes reporting any near misses they become aware of.

Enablers

- our fundamental building blocks for success; what we need to make risk management 'happen.' Having these components means we have evidence that risk management arrangements are in place; this is essential for providing assurance and for demonstrating compliance with industry standards that relate to risk management (such as ISO 31000)

•Objectives –

These are shown to the right. In working to these we can deliver benefits to the council and the measures of success include better financial outcomes, delivery of business objectives and targets, better project success rates, good outcomes from external scrutiny, fewer unexpected problems, fewer incidents, accidents or complaints, and fewer insurance claims/ less litigation. We have key performance indicators to track how well our strategy is being implemented.

Strategic Risk Management Objectives

Enablers

- (1) Leadership and management: Ensuring that our Members, Directors and Senior Managers fully support and promote risk management
- (2) Policy and strategy: Ensuring that our policy and strategy remain fit for purpose and maintain a consistent approach to the management of risk and increasing its effectiveness
- (3) People: Ensure that our people are equipped and supported to manage risk well
- (4) Partnerships and resources: Ensuring that we have effective arrangements for managing risks in partnerships and resourcing risk management activity
- (5) Processes: Ensuring that our risk management processes are effective in supporting the business activities of the council

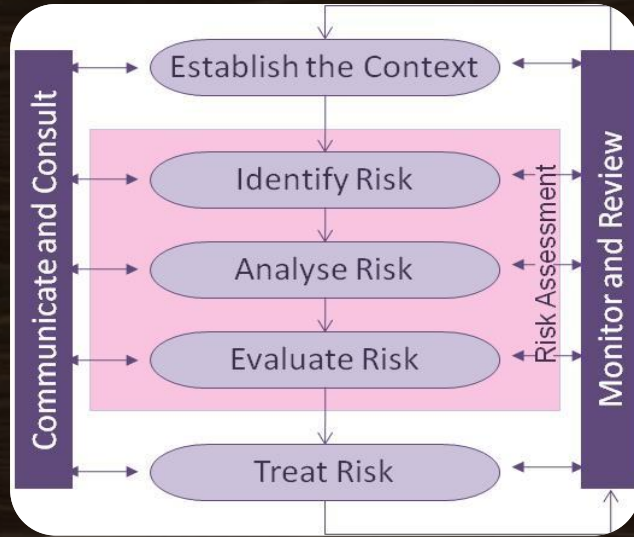
Results

- (6) Risk handling and assurance: Ensuring that risks are handled well and that the council has assurance that risk management is delivering successful outcomes and supporting innovation
- (7) Outcomes and delivery: Ensuring that risk management does contribute to achieving positive outcomes for the council

Enablers – continued...

- **Guidance** – all guidance supporting the risk policy and strategy is all available on the [Intranet](#)
- **People** – as has been set out already in pages 10 to 14
- **Training** – a range of training and development opportunities are available through the risk manager
- **Development** – our strategic risk management development plan (SRMDP) is the plan that helps us stay on track with our strategy and for meeting our objectives. The plan includes immediate, medium or longer term actions for the lifetime of the present strategy, with named responsible officers. The plan is realistic, stretching but achievable; it allows CRMG to focus on strategic priorities and actions but at the same time helps risk reps to consider operational requirements for supporting the objectives.
- **eSystems** – we make the most of technology whenever possible. We use Pentana for recording strategic, corporate or service risks and KPIs, project management software for project risk, the intranet for policy, strategy, guidance and other risk management media, Business World for accident and incident recording and monitoring, iLearn for online courses, and we use MS Teams and channels to facilitate our CRMG meetings and comms.

Risk management process



Renfrewshire Council embeds risk management throughout the council using an industry accepted risk management process and applying this consistently across all services and business activities (i.e. budget setting/ projects etc), it helps us better understand risk and make better risk-based decisions.

Risk Guidance note 02 is dedicated to explaining the process fully but some important points of note are set out on this page and the next.

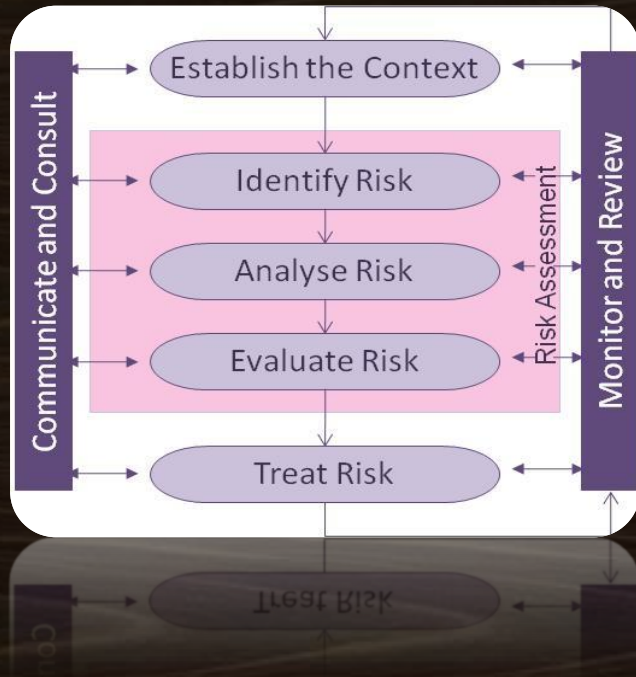
Context - takes account of many factors, including considering **what type** of risk is being addressed.

- Strategic risks are outward in focus and represent threats or opportunities linked to the Community Plan outcomes and our two-year economic and social recovery strategies
- Corporate risks are inward in focus and represent threats or opportunities linked to the Council Plan outcomes and our two-year financial recovery strategy
- Service risks impact only on the remit of the individual service, its employees/ volunteers, contractors/ partners, or the general public/ service users. Service risks can be proposed for escalation to corporate risk if they require significant central resource for risk control measures.
- Project risks represent events or circumstances which may impact on a specific project - usually as a threat to schedule and/ or cost of a project or the benefits the project will deliver. Any residual risks at the end of a project are handed over to the relevant service department/s to manage.

All of the above risk types can be found recorded on registers and are reported to Policy Boards or Project Boards.

'Business as usual' risks however are not generally related to corporate priorities or ambitions but rather are inherent by nature of our type of organisation. These risks do not go through the full risk management process but are managed via an assurance model

Risk management process (continued)



Analysing risk

Two factors are used to analyse risk – likelihood of occurrence, multiplied by the severity of the consequence/s if it does. (Guidance note 04)

Evaluating risk

The outcome of analysis is a risk score which leads to evaluation being either *Low, Moderate, High or Very High*.

This aspect is **extremely important** as it links to the council's risk 'appetite' and will determine how a risk should be treated (unless legislation deems otherwise). It is generally understood by all services that *usually*:

- **low risk** is acceptable without any further action to prevent or mitigate the risk;
- **moderate risk** is tolerable - control measures implemented or introduced must be cost effective;
- **high risk** may be tolerable - providing the council is assured regarding the adequacy and effectiveness of the control measures in place. Any further control measures implemented or introduced must be cost effective in relation to the high risk;
- **very high risk** is deemed to be unacceptable and measures should be taken to terminate, transfer or treat a very high risk to a more tolerable.

The council recognises that in exceptional circumstances a combination of factors produce 'very high' risks, for which the council may have limited control (such as a global pandemic, recessions etc). While it may have the capacity to deal with some very high risk, the Council does not wish to tolerate any more than two or three very high risks at any given time, either corporately, or within the service departments .

Application/ results

While enablers provide the building blocks for risk management to happen and the risk managing process brings consistency in how we view and understand risk, it's only when we apply this to our business activities that risk management starts to really add value to our organisation. Good **examples** of this include:

- * Policy Development
- * Service Planning
- * Budgeting
- * Performance Management
- * Project management

These activities are shown on the right with some practical suggestions.

Policy Development

Risk management thinking can add value by checking e.g:

- Any strengths, weaknesses, opportunities or threats to delivering the new policy?
- Could we be creating new risks when bringing in the new policy?
- If the policy isn't approved, what risks are we left with?

Service Planning

Risk management data can add value by informing us of where service improvements could/ should be made. Good sources of risk-related data include:

- Complaints
- Accident trends/ near misses
- Claims trends/ defensibility rates
- Audit reports

Budgeting



Finance colleagues are appraised of the financial risks associated with financial planning and setting service budget. Services can use risk information to support their applications for funding, to manage unavoidable cost pressures and associated risks.

Performance Management

Risk management thinking can add value by checking e.g:

- Do poorly performing KPIs show we may have new risks arising?
- If a poorly performing KPI is already linked to a risk, have our risk controls failed?

Project Management

Some questions that can help with checking for risk in projects include, is the project likely to deliver the desired outcomes; what may cause us to run over time, over budget or impact on quality; are we over optimistic; are our assumptions reasonable?

Risk Service

The council has a 'Risk Manager,' however managing risk and making decisions on risk, is delegated to relevant services, specifically to risk owners.

The role of the Risk Manager is set out in page 11. Some examples of activities the Risk Manager leads on or is involved in are shown on the right by way of practical illustration.

The Risk Manager does not operate in isolation but values collaboration, working closely with the CRMG, Risk Reps and other Risk Professionals.

Supported by the Insurance & Risk Management Co-ordinator, the Risk Manager also manages the council's insurance service, arranging policy cover, providing advice on that, and providing services such as recommending insurance requirements for tenders and checking contractors' insurances.

The Risk Manager and the Insurance and Risk Management Co-ordinator ensure their own personal development through membership of [ALARM](#) (the public sector Risk Management Association).

Taking risk management to the next level – embedding risk management into the council's DNA!

Getting involved in key (and exciting) strategic projects with guidance and advice, such as City Deal and Cultural Regeneration.

Leading continuous improvements in risk management maturity – where it really adds value

Developing and delivering training opportunities and practical tools that are engaging as well as educational

Regular engagement with insurers, brokers, other risk professionals and partners, UK-wide, to ensure the council is protected in its activities

Working collaboratively with other risk professionals in the council on high profile areas of risk management such as the recent pandemic, preparing for the EU exit, preparing for elections etc, to protect the council and support good management of these risks

In conclusion:

The remaining pages of this strategy go beyond the risk management framework and set out some further aspects of our approach; these being:

- * Resourcing risk management
- * Measuring risk management maturity
- * Communicating risk management
- * Expectations for all services.

Resourcing the council's risk management framework

Developing and leading ongoing implementation of the risk management framework is resourced through the Risk Manager role, the Corporate Risk Management Group and Risk Management Alliance.

Training and education costs are minimised with the majority of courses/ training delivered in-house or through the training resource available from our claims handlers.

Directors are responsible for ensuring appropriate resources within their service to support managers' and employees' risk management training needs.

Resourcing risk owners to manage risks

Risks within service departments influence budget allocations, so the cost of managing risks are met within each service's budget. Any unplanned or unbudgeted resources arising in relation to risks will be subject to review by the service director in consultation with the Director of Finance and Resources.

Risk owners will ensure that responses to risk (by way of transfer or treatment) are effective and proportionate to each risk's significance. Put simply, resources allocated to addressing risk should not exceed the cost of the exposure itself (in the case of adverse risks) or the benefits that are being sought (in the case of opportunities).

The council's Insurance and Risk Management Co-ordinator can, on request, provide guidance on the cost effectiveness of transferring risk to the council's Insurers where this is a suitable option.

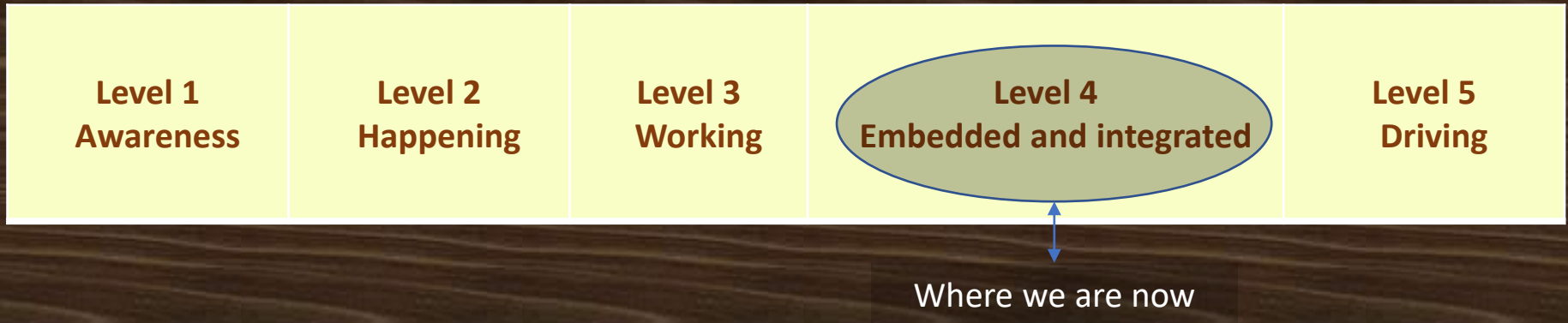
The council's Treasury consultants and investment advisors will provide guidance on risk and appropriate action in relation to the council's investment portfolio.

Measuring risk management maturity


We work towards our risk management vision through our strategic risk management objectives and by seeking every opportunity to apply effective risk management practice where it will yield most benefit (such as major investment/ change programmes/ entering into new areas of business, service or partnerships), and when it will yield most benefit, (such as along the development path of major initiatives and not solely the final decision point).

In working towards our risk management vision **we aim to demonstrate maturity where risk management is consistently embedded and integrated*** while also being able to demonstrate examples of where risk management information is driving the key policy decisions of our organisation.

*Definition as per the 'Risk Management Toolkit' developed by ALARM



Communicating risk management



Effective communication of risk management information across all service departments and with employees is essential to developing a consistent and effective approach to risk management.

Copies of 'Risk Matters' are disseminated to all service directors for cascade throughout their services, and copies, along with other risk management documentation and guidance are available on the Staff Intranet 'Risk Matters' page.

Details of the council's insurance arrangements are published on the Staff Intranet: insurance a quick guide. The details include definitions of a range of insurance terms along with key insurance documents such as the council's Employers Liability Certificate and the standard letter from the council's insurance brokers and advisors that summarises all the main insurances that are in place.

Risk management awareness is communicated with all new employees through the induction process; through iLearn (corporate e-learning platform) and through local induction.

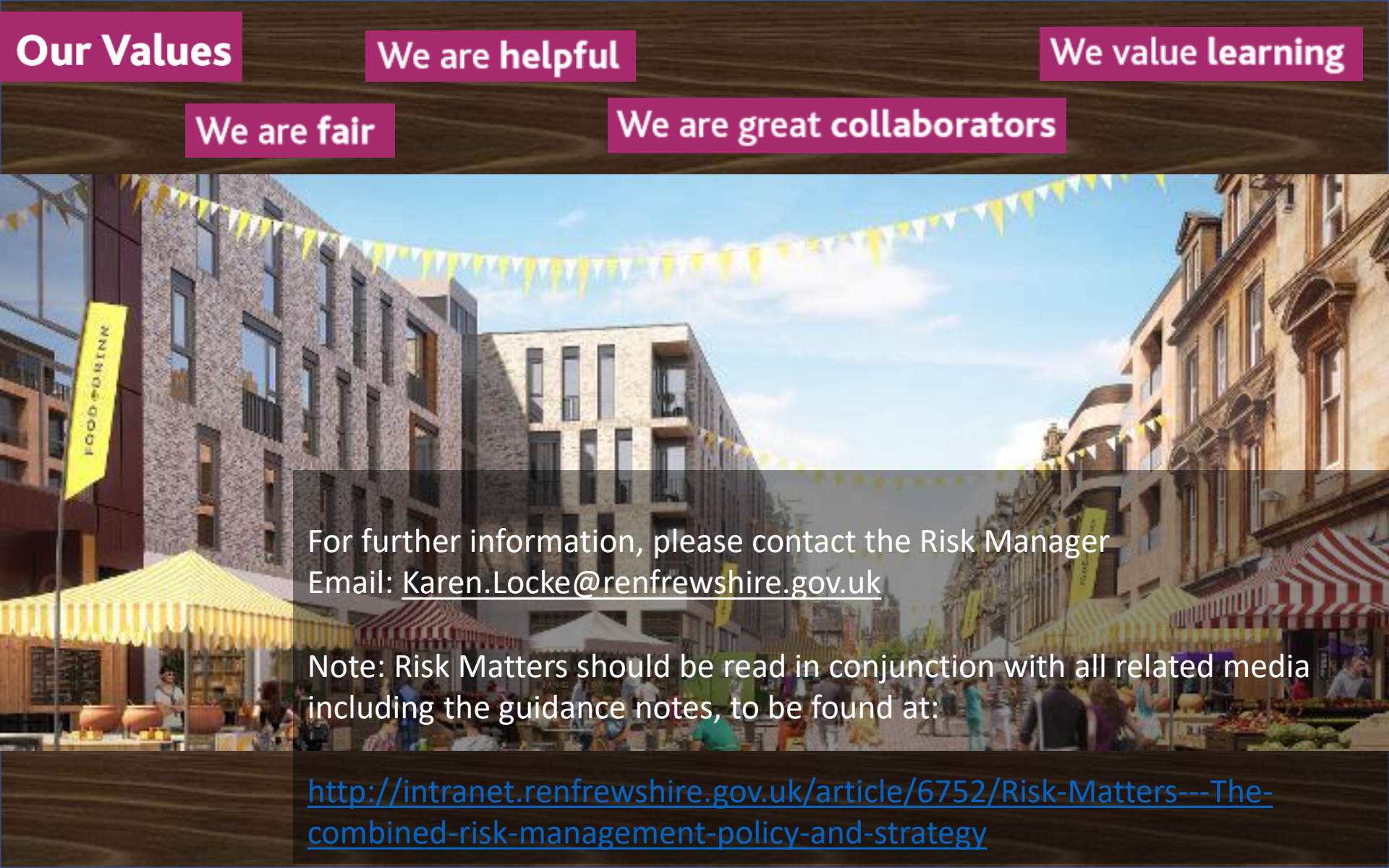
Expectations for all services

- Making the most of the risk management guidance, tools, advice and training available
- Using the risk management process wherever possible, but especially in business processes where this will add most value (page 19). This means that an assessment of risk as well as costs and benefits becomes routine wherever possible.
- Identifying risk using standard methods such as 'bottom-up' and 'top-down' approaches, involving managers throughout your service with detailed knowledge of the service and the context in which it operates.
- Ensuring where possible and relevant, that risks are aligned with the relevant council plans (page 17)
- Using the council's risk matrix to consistently analyse risk in terms of likelihood of occurrence and potential impact, taking into account the effectiveness of current risk control measures.
- Responding to risk in a way that is proportionate to the level of risk. This means that risk may be terminated; transferred elsewhere (such as through insurance); tolerated as it is; or, treated with cost effective measures to reduce it to a level where the exposure is acceptable or tolerable for the council in keeping with its capacity for risk. In the case of opportunities, the council may 'take' an informed risk in terms of tolerating it if the opportunity is judged to be (1) worthwhile pursuing and (2) the council is confident in its ability to achieve the benefits, manage and justify the risk.
- Maintaining risk registers as a means of collating risk information in a consistent format allowing comparison of risk evaluations, informed decision-making in relation to prioritisation of resources and ease of access to information for risk reporting.

Expectations for all services

- Using risk registers to collate risk information consistently, allowing risk comparisons and informed decision-making when prioritising resources, and ease of access to information for risk reporting.
- Escalating and de-escalating risk/ moving risks between risk registers when appropriate, involving service risk reps.
- Reassessing individual risks within a timescale that is proportionate to the level of risk (i.e. low risks annually, moderate risks every 6 months, significant [high and very high] risks at least on a quarterly basis), taking account of how effective the related control measures are.
- Participating in the annual review of strategic, corporate and service risks to be reported to the Audit, Risk & Scrutiny Board (exercise led by the CRMG), checking progress, checking for any changes in context and horizon scanning for new impacts or indeed new risks.
- Completing an annual assurance exercise for 'business as usual' risks
- Routinely considering risks and associated data (Heads of Service at 1-1s with their relevant Service Directors).
- Committing to action required to support high performance of Key Risk Management Performance Indicators.
- Supporting colleagues to come forward and report risks and concerns in a 'learning' culture that seeks to learn from past experience to build a better future, avoiding repetition of avoidable adverse events.

to learn from past experience to build a better future, avoiding repetition of avoidable adverse events.



Our Values

We are helpful

We value learning

We are fair

We are great collaborators

For further information, please contact the Risk Manager
Email: Karen.Locke@renfrewshire.gov.uk

Note: Risk Matters should be read in conjunction with all related media including the guidance notes, to be found at:

<http://intranet.renfrewshire.gov.uk/article/6752/Risk-Matters---The-combined-risk-management-policy-and-strategy>