

North Somerset Council

Report to the Audit Committee

Date of Meeting: 20 September 2021

Subject of Report: Business Planning Framework - risk management

Town or Parish: ALL

Officer/Member Presenting: Emma Diakou, Head of Business Insight, Policy and Partnerships

Key Decision: NO

Reason: Information item

Recommendations

That the Audit Committee note the content of this report and the accompanying document in appendix 1 outlining the development of the 2021/22 risk registers.

1. Summary of Report

The North Somerset Council Business Planning Framework is designed to monitor progress and risks aligned to our [Corporate Plan](#) priorities and against our vision for an *open, fairer, greener North Somerset*.

We do this on an annual basis by developing, implementing and monitoring Annual Directorate Statements (ADS'). These are the business plans for each council directorate and give the key strategic commitments and key risks for the year ahead.

The document in appendix 1 accompanying this covering report gives an overview of the process that has been undertaken in quarter one of this financial year to develop directorate level and strategic level risk registers that sit alongside the Annual Directorate Statements.

2. Policy

The Corporate Plan is the council's overarching strategic document. It is the only plan which covers the full range of the council's responsibilities and is an important tool to help focus our effort and resources on the right things. This is even more important in the context of constrained budgets and rapid change. By prioritising a clear set of commitments, the Corporate Plan also helps residents to hold the council to account for its performance and challenge it to improve.

The risk registers detail the risks faced by North Somerset Council in relation to achieving our aims and priorities as defined in the Corporate Plan. The risk registers also note mitigating actions being taken where possible to control those risks.

3. Details

The North Somerset Council business planning cycle starts in late January with a review of the Corporate Plan followed by an analysis of the emerging Transformation Programmes both directorate-led and cross cutting, any strategy development, and any MTFP savings identified for the year ahead.

Priorities are then combined to create each directorate's Annual Directorate Statement (business plan). Each ADS give the directorate's key strategic commitments for the year ahead and an associated risk register. The commitments show how each directorate will contribute to the aims and objectives in the Corporate Plan. The risks outline any concerns in achievement to those commitments.

From the Annual Directorate Statements an Integrated Performance Management Framework (IPMF) is developed. The framework aligns Key Projects and Key Corporate Performance indicators to each commitment within the Annual Directorate Statements. These allow us to monitor progress and outcomes.

Commitments and risks are reviewed and revised where necessary at least quarterly through the Integrated Performance Management Framework.

4. Consultation

As part of the Business Planning Framework all tier three managers and above contribute to their Annual Directorate Statement and their risk register. These are then agreed by Directorate Leadership teams, Corporate Leadership team and with the relevant Executive members.

The views of residents, staff and other stakeholders all helped to shape the development of the Corporate Plan on which the Annual Directorate Statements are based.

5. Financial Implications

Any financial implications related to the risk registers are included as part of the quarterly Integrated Performance Management updates.

Costs

N/A

Funding

N/A

6. Legal Powers and Implications

N/A

7. Climate Change and Environmental Implications

All Annual Directorate Statements included the following commitment: *Implement the climate emergency strategy and action plan*. This and any associated risks are monitored quarterly.

8. Risk Management

This report considers risk management across the organisation aligned to the Corporate Plan, Annual Directorate Statements and Integrated Performance Management framework.

9. Equality Implications

The Performance Management Framework includes Key Projects and Key Corporate Performance Indicators. A number of these are equality objectives and reported to the Equalities Group.

Equality implications are also considered throughout the risk management process.

10. Corporate Implications

It is a requirement as part of the Business Planning Framework for all directorates to hold a risk register that is aligned to their business plan and considered at least quarterly by their Directorate Leaderships Team.

A strategic risk register is held by Corporate Leadership Team and reviewed at least quarterly both by Corporate Leadership Team and by Executive members.

11. Options Considered

Risk registers are a requirement of the Business Planning Framework.

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Appendices:

Appendix 1: risk management overview

Background Papers:

- North Somerset Corporate Plan: https://www.n-somerset.gov.uk/sites/default/files/2020-03/Corporate Plan 2020-2024_0.pdf
- Adults directorate Annual Directorate Statement 2021/22
- Children's directorate Annual Directorate Statement 2021/22
- Corporate Services directorate Annual Directorate Statement 2021/22
- Place directorate Annual Directorate Statement 2021/22
- Public Health and Regulatory Services Annual Directorate Statement 2021/22

Risk management



Audit Committee Q1 2021



Background

- The North Somerset Council business planning cycle starts in late January with a review of the **Corporate Plan** followed by an analysis of the emerging Transformation Programmes both directorate-led and cross cutting, any strategy development, and any **MTFP savings** identified for the year ahead.
- Priorities are then combined to create each directorate's **Annual Directorate Statement** (business plan). Each ADS give the directorate's key strategic commitments for the year ahead and an associated **risk register**. The commitments show how each directorate will contribute to the aims and objectives in the Corporate Plan. Commitments are either organisational-wide with all directorates contributing to progress or are directorate specific. Risks show areas of both concern and opportunity.
- From the Annual Directorate Statements an Integrated Performance Management Framework (IPMF) is developed. The framework aligns Key Projects and Key Corporate Performance indicators to each commitment within the Annual Directorate Statement. These allow us to monitor progress and outcomes.

Risk management framework



Directorate risk registers

- Each directorate has a risk register that is reviewed at least quarterly.
- The risk registers include:
 - Theme
 - Risk
 - Corporate Leadership Team lead
 - Lead officer
 - Inherent likelihood
 - Inherent impact
 - Inherent risk
 - Mitigating actions
 - Residual likelihood
 - Residual impact
 - Residual risk
 - Direction of travel

Risk scoring matrix

- They are guided by the following risk scoring matrix:

		Impact →				
		Negligible	Minor	Moderate	Significant	Severe
Likelihood ↑	Very Likely	Low Med	Medium	Med Hi	High	High
	Likely	Low	Low Med	Medium	Med Hi	High
	Possible	Low	Low Med	Medium	Med Hi	Med Hi
	Unlikely	Low	Low Med	Low Med	Medium	Med Hi
	Very Unlikely	Low	Low	Low Med	Medium	Medium

Strategic risk register

- Following on from this, analysis has been undertaken on the directorate risk registers to create a **Strategic risk register**.
- The process has been to look at all risks that have scored MED/HIGH or HIGH and has escalated them for consideration by Corporate Leadership team.

