

# The development of Risk Management for Somerset Council



## Introduction

This paper sets out the work done to develop the risk management approach for Somerset Council following the agreement to become a Unitary Council in April 2023. The paper sets out three distinct phases:

1. Prior to April 2023
2. April 2023 to March 2024
3. April 2024 onwards

## Phase One: Prior to April 2023

The development of the approach to risk management for the new Council was managed by a sub-workstream under the Finance workstream. It was led by Duncan Moss, with representatives from each of the districts, where risk was part of their role and SEC Risk Manager.

The workstream had a number of products to deliver including:

1. A new risk management strategy and policy for Somerset Council
2. Registers are both Strategic and operational level
3. Agreement of **RM** system to be used

### What was delivered by timeline:

Timeline	What was done
By November 2022	<ol style="list-style-type: none"> <li>1. Initial assessment of the 5 councils risks at Strategic and Operational level</li> <li>2. Draft RM Strategy and Policy agreed at workstream level including the use of the SEC 5X5 assessment grid</li> </ol>
December 2023	13/12/22 - SEC SLT, signed off the Somerset Council Risk Management Strategy and Policy
January 2023	19/1/23 - SEC Audit Committee signed off the Somerset Council Risk Management Strategy and Policy
February 2023	27/2/23 - SEC Executive recommendation to Full Council to adopt the Somerset Council Risk Management Strategy and Policy as well as the use of JCAD as Somerset Council's Risk

	<p>Management system.</p> <p><b>SEC SLT</b> - report identifying initial thoughts on the strategic risks for the new council</p>
March 2023	<p>1/3/23 - Full Council sign off</p> <p>Following SCC SLT, creation of first strategic risk register for Somerset Council from the 5 strategic risk registers - individual districts update their own management teams of proposals for taking forward particular risks</p> <p>JCAD -created the new directorates architecture</p> <p>Started to review the operational/BAU risks from the 4 district councils, looking for any duplication and crossovers, where they sat within the directorate architecture</p>

### **Phase Two - April 2023 to March 2024**

#### Monitoring and review

<b>Committee/meeting</b>	<b>Outcome</b>
Audit Committee	<p>An update on the Strategic risks of the Council as well as the development of the risk management approach for Somerset Council has been reported to Audit Committee as follows:</p> <p>June 2023 - first report on the new strategic risks for the Council</p> <p>September 2023 - Update plus movement within strategic register</p> <p>October 2023 - Update</p> <p>December 2023 - specific focus on Financial Emergency, including risks</p> <p>January 2024 - Update plus movement within strategic register</p> <p>March 2024 - Update</p>
Somerset Council Corporate Leadership Team	<p>Report on the strategic risks of the Council</p> <p>April 2023 - report to confirm strategic risks of the Council</p> <p>July 2023 - update</p> <p>September - update</p>
Executive Directors and Service Directors	<p>Executive Directors - initial work undertaken on the strategic risks for the Council, confirming scores, mitigation including ownership</p> <p>Service Directors - initial work to confirm whether risks transferred in from district councils remained a risk for the</p>

	new Council. Subsequent ongoing reviews of their risks
Statutory Officers Board	First report 5 <sup>th</sup> February 2024

### Development and ongoing work

What	Outcome
JCAD and Risk Management training	Introduction to Somerset Council's risk management system as well as an overview of risk management based in the agreed strategy and policy
JCAD core V5	Spring 2023 agreed to upgrade to JCAD core V5 Introduced 2 <sup>nd</sup> October 2023 Training and updates for JCAD users Ongoing support and advice Ongoing administration and amendment
Risk Management Strategy and policy	Amendment to reflect the financial emergency
Projects and programmes	Conclusion of the LGR risk register <b>Hinkley risks</b> - discussion with service manager to identify risks that impact the council from the major project - work still progressing as the council determines the impact of a further increase in workforce, the implications of the material change application to the S1&6 and the implications of the project delay <b>Gravity</b> - risk register developed, awaiting agreed at programme level in order to facilitate on JCAD <b>Somerset Homelessness and Rough Sleeper Strategy</b> - development of risks for the project <b>Transformation</b> - initial discussions to understand how risks will be managed by the programme
ICB	Initial discussions to understand how the Council and ICB can collaborate to develop a joint approach to risk management and the risks collectively
SWAP	Working with Audit partnership to <ul style="list-style-type: none"> <li>1. Update on strategic risks and any changes</li> <li>2. Risks and concerns coming from Audit reports</li> </ul>

## Phase Three: From April 2024

### Workplan for 2024

What	To achieve
Monitoring and review	<ol style="list-style-type: none"> <li>1. Will work with all service directors on a quarterly basis (May, August, November and February - dates set for 2&amp;24) to review current risks, any implications from ongoing savings/transformation and horizon scanning - notes will be taken after each meeting and used at each quarterly review in order that no risks are lost</li> <li>2. Where risks have a current score of 25, then engagement will be undertaken with Executive Directors to understand what and how the score can be mitigated or if it cannot what other options are open to the Council</li> <li>3. Determination of how risks will be reported to Executive</li> </ol>
Corporate Leadership Team workshop	<p>Proposed for April 2&amp;24 to</p> <ol style="list-style-type: none"> <li>1. Review and reflect on the current approach to risk management within the Council and what, if any, changes are needed to be made</li> <li>2. Reflection of Council's risk appetite</li> <li>3. Review of Strategic risks</li> </ol>
Ideagen	Phased move of all risks from JCAD Core to Ideagen
Matrix	Complete review of matrix following any changes agreed by CLT, with Performance, Risk, Budget Board and Audit Committee sign off
Risk appetite	Review the discussions from CLT workshop and develop an initial approach for further discussion with CLT, & Performance, Risk & Budget Board and Audit Committee
Strategic Risks	<p>Reflect revised risks on the strategic risk register and in JCAD</p> <p>Further work with Executive and Service Directors to reflect on scores and ongoing mitigation and controls</p> <p>Report to CLT with revised register, Performance, Risk &amp; Budget Board with revised register and Audit Committee update on strategic risks for the council</p>
Re-classification of risks - 4T's (Tolerate, terminate treat & transfer)	Raised through the Independent person on Audit Committee - new process to be brought together, together with supportive training so that risks against all 4 T's are reflected on the risk registers
Strategic Risk Management Group	Quarterly meetings in service representatives who will work through proposals for changes to the risk management process, updates and identify areas where further work should

	be considered. Next meeting 2 <sup>nd</sup> May
Risk Maturity	Potential to reflect this in the Risk Management audit in Q3/Q4 with SWAP
Update on Risk Management strategy and Policy	Review and update with changes made Seek sign off through CLT, Performance, Risk & Budget Board, Audit Committee and Executive.