

Cabinet

11 February 2025

Risk Strategy Annual Review

Portfolio Holder: Councillor Vince Maple, Leader of the Council
Report from: Phil Watts, Chief Operating Officer
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Summary

In accordance with the Council's Risk Strategy, this report presents the annual review of the Risk Strategy.

The report was considered by the Audit Committee on 28 January 2025 and Business Support and Digital Overview and Scrutiny Committee on 30 January 2025. Comments from these committees will be set out in a Supplementary Agenda.

1. Recommendations

- 1.1. The Cabinet is asked to note the outcome and comments of the Audit Committee and Business Support and Digital Overview and Scrutiny Committee, as set out in Appendix 3 within the Supplementary Cabinet Agenda.
- 1.2. The Cabinet is asked to approve the 2025/26 Risk Strategy at Appendix 1 to the report, which sets out the Council's approach to risk management.

2. Suggested reasons for decisions

- 2.1. The establishment of a corporate framework for risk management is recommended by CIPFA and SOLACE and will complement and support the work already being carried out within each directorate to manage risks.

3. Budget and policy framework

- 3.1. Good corporate governance requires that local authorities identify all their significant strategic and operational risks and put effective risk management and internal control systems in place.
- 3.2. The Risk Strategy is reviewed annually to ensure that it remains up to date and continues to reflect the Council's approach to risk management. The 2025/26 Risk Strategy is shown in Appendix 1 to the report.

- 3.3. In line with its terms of reference, the Audit Committee is responsible for providing independent assurance on the adequacy of the risk management framework and the associated control environment, including consideration of the Council's approach to risk management.
- 3.4. The Cabinet is responsible for ensuring the effective operation of risk management in the Council.

4. Background

- 4.1. Risk management is a process which aims to help the Council understand, evaluate, and act on all their risks. It supports effective decision making, identification of priorities and objectives and increases the probability of success by making the most of opportunities and reducing the likelihood of failure.
- 4.2. Risk management is an integral part of good governance. The Council recognises that it has a responsibility to identify and manage the barriers to achieve its strategic objectives and enhance the value of services it provides to the community. The Council's Risk Strategy incorporates and:
 - promotes a common understanding of risk.
 - outlines roles and responsibilities across the Council.
 - proposes a methodology that identifies and manages risk in accordance with best practice thereby seeking to prevent injury, damage and loss.

5. Advice and analysis

- 5.1. The Risk Strategy is reviewed annually to ensure that it remains up to date and continues to reflect the Council's approach to risk management. The 2025/26 Risk Strategy is shown in Appendix 1. The current 2024/25 Risk Strategy is shown in Appendix 2 to the report, for reference.

6. Consultation

- 6.1. Following consultation with Corporate Management Team, Directorate Management Teams, the Legal and Information Governance Senior Management Team, and the Finance and Business Improvement Senior Management Team, the following are the main changes reflected in the 2025/26 Risk Strategy:
 - 6.1.1. The addition of a 5-year timescale for Likelihood assessment as shown on page 6 of the Risk Strategy as set put at Appendix 1 to the report.
 - 6.1.2. Further explanation of live/acute and managed/chronic risk categorisation as shown on page 9 of the Risk Strategy.
- 6.2. Other, more minor, changes, are shown as tracked changes in Appendix 1.

7. Climate change implications

7.1. There are no climate change implications arising from the review of the Risk Strategy.

8. Financial implications

8.1. There are no financial implications arising from the review of the Risk Strategy.

9. Legal implications

9.1. There are no legal implications arising from the review of the Risk Strategy.

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Appendices

Appendix 1 – 2025/26 Risk Strategy with tracked changes

Appendix 2 – 2024/25 Risk Strategy

Appendix 3 – Audit Committee Minutes, 28 January 2025 and Business Support and Digital Overview and Scrutiny Committee Minutes, 30 January 2025 (to follow in Supplementary Agenda)

Background papers

None