



**Reigate & Banstead**  
BOROUGH COUNCIL  
Banstead | Horley | Redhill | Reigate

<b>SIGNED OFF BY</b>	Head of Corporate Policy
<b>AUTHOR</b>	Luke Harvey, Project & Performance Team Leader
<b>TELEPHONE</b>	Tel: 01737 276519
<b>EMAIL</b>	Luke.Harvey@reigate-banstead.gov.uk
<b>TO</b>	Audit Committee
<b>DATE</b>	Tuesday, 15 March 2022
<b>EXECUTIVE MEMBER</b>	Portfolio Holder for Corporate Policy and Resources

<b>KEY DECISION REQUIRED</b>	N
<b>WARDS AFFECTED</b>	(All Wards);

<b>SUBJECT</b>	Strategic risks - 2022/23
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<b>RECOMMENDATIONS</b>
<b>That the Audit Committee:</b> <b>(i) Note the identified strategic risks for 2022/23 as detailed in annex 1 and make any observations to the Executive.</b>
<b>That the Executive:</b> <b>(ii) Approve the strategic risks for 2022/23 as detailed in annex 1.</b>
<b>REASONS FOR RECOMMENDATIONS</b>
For appropriate risk management arrangements to be in place for 2022/23.
<b>EXECUTIVE SUMMARY</b>
This report identifies the Council's strategic risks for the 2022/23 financial year.
<b>The Audit Committee and Executive have the authority to approve their respective recommendations.</b>

<b>STATUTORY POWERS</b>
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1. The Council holds various statutory responsibilities for ensuring that its business is conducted in accordance with the law and that public money is safeguarded, accounted for and is used economically and effectively.
2. The Council also has a duty under the Local Government Act (1999) to put in place proper arrangements for the governance of its affairs.
3. The discharge of this responsibility includes arrangements for managing risk.
4. The Council's Code of Corporate Governance outlines these core governance principles; compliance with the code is reported each year via the Annual Governance Statement.

## **BACKGROUND**

5. Reigate and Banstead Borough Council has a proactive approach to risk management. It is an integral part of the Council's corporate governance arrangements and is built into management processes.
6. Strategic risks are defined as those risks that have an impact on the medium to long term ambitions and priorities of the Council as set out in the Corporate Plan and Medium Term Financial Plan (MTFP), and its ability to deliver against those.
7. Members of the Management Team and Executive Members have shared responsibility for strategic risks.
8. The Audit Committee's constitutional responsibilities regarding risk management require it to receive regular updates on the Council's risk management arrangements, including the identification of the Council's strategic risks for each financial year.
9. It is the responsibility of the Executive to formally endorse the strategic risks for each financial year.

## **KEY INFORMATION**

### **Strategic risks 2022/23**

10. The strategic risks for 2022/23 are available at annex 1.
11. The risks have been reviewed and updated to reflect the anticipated position as of 1 April 2022.
12. The key differences from the 2021/22 strategic risk register that are being recommended are as follows:
  - That the 2021/22 risk on 'Marketfield Way' (current risk reference SR9) is not carried over to 2022/23 due to good progress being made on site and in securing lettings, leaving the residual risk to be managed under business as usual. It is expected that this risk will be formally closed in Q4 reporting.
  - That the 2021/22 risk on 'Reliance on the welfare system' (current risk reference SR6) be combined with the 'Economic Prosperity) risk (current risk reference SR5) and therefore is not carried over to 2022/23. This is due to the close alignment with the risk on economic prosperity, which already incorporates the impact of prevailing economic conditions on residents. Subject to this

recommendation being agreed it is expected that the 'Reliance on the welfare system' risk will be formally closed in Q4 reporting.

- Updates to the risk on 'Local government reorganisation' (current risk reference SR3) to make reference to the government's recently published White Paper on Levelling Up.
- Updates to the 'Cyber security' risk (current risk reference SR7) making it broader in scope, factoring in general network resilience and capacity in addition to cyber security.
- Amendments to the 2021/22 'Gatwick Airport' (current risk reference SR10) risk to focus solely on the airport's expansion/intensification (rather than the impact of Covid on airport operations and local employment).
- New strategic risks on:
  - i. Commercial investment (SR3 at annex 1).
  - ii. 'Cost pressures affecting the viability of Council developments' (SR6 at annex 1).
  - iii. Climate change (SR12 at annex 1).

13. Any new strategic risks identified as part of Q4 2021/22 reporting will also transfer over to the risk register for 2022/23.

## **OPTIONS**

14. The Audit Committee has two options:

- Option 1: note the strategic risks for 2022/23 and make no observations to the Executive
- Option 2: note the strategic risks for 2022/23 and make any observations to the Executive.

15. The Executive has two options:

- Option 1: approve the strategic risks for 2022/23. This is the recommended option.
- Option 2: do not approve the strategic risks for 2022/23. This is not the recommended option as it will result in the Council not having a strategic risk register in place for the start of the 2022/23 financial year.

## **LEGAL IMPLICATIONS**

16. There are no legal implications arising from this report.

## **FINANCIAL IMPLICATIONS**

17. Financial risks are taken into account when preparing the Medium Term Financial Plan, Capital Investment Strategy, Revenue Budget and Capital Programme each year.

18. There are no additional financial implications arising from this report.

**EQUALITIES IMPLICATIONS**

19. There are no equalities implications arising from this report.

**COMMUNICATION IMPLICATIONS**

20. There are no communications implications arising from this report.

**RISK MANAGEMENT CONSIDERATIONS**

21. The Council's risk registers inform the development of the annual risk based internal audit plan.

22. The Council's approach to managing risk is a core component of the Code of Corporate Governance.

**OTHER IMPLICATIONS**

23. There are no other implications arising from this report.

**CONSULTATION**

24. The contents of this report have been considered by the Council's Corporate Governance Group.

**POLICY FRAMEWORK**

25. The Council's risk management strategy and methodology provides additional information on how the Council manages risk.

**BACKGROUND PAPERS**

None.