

Signed off by	Head of Corporate Policy, Projects and Performance
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To	Audit Committee, Executive
Date	Audit Committee, Wednesday, 15 March 2023 Executive Committee, Thursday 23 March 2023
Executive Member	Portfolio Holder for Corporate Policy and Resources

Key Decision Required	N
Wards Affected	(All Wards);

Subject	Strategic risks - 2023/24
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Recommendations

That the Audit Committee:

- (i) **Notes the identified strategic risks for 2023/24 as detailed in annex 1 and make any observations to the Executive.**

That the Executive:

- (ii) **Approves the strategic risks for 2023/24 as detailed in annex 1.**

Reasons for Recommendations

For appropriate risk management arrangements to be in place for 2022/23.

Executive Summary

This report identifies the Council's strategic risks for the 2023/24 financial year.

The Audit Committee and Executive have the authority to approve their respective recommendations.

Statutory Powers

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 & 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 2023/24

10. The strategic risks for 2023/24 are available at annex 1.
11. The risks have been reviewed and updated to reflect the anticipated position as of 1 April 2023.
12. The key changes from the 2022/23 strategic risk register that are being recommended are as follows:

- The risk on the Coronavirus pandemic has been recommended for closure in Q3 2022/23 reporting and following approval for closure will not carry through into the 2023/24 risk register.
- The risk on cost pressures affecting the viability of Council developments has received a contextual update. This update highlights concerns over higher capital investment requirements being sought by tenants and the importance of ensuring that the Council has appropriate funding/incentive to encourage commercial lettings.
- The risk on Gatwick Airport has also received a contextual update with focus on the airports planned expansion and the uncertainty that this may bring.
- The risk on Planning System reform has been updated. The key concerns regarding this risk have shifted away from potential restrictions on affordable housing delivery and now focus on concerns regarding uncertainty stemming from changes to the National Planning Policy Framework.
- There is currently lack of clarity over what the revised National Planning Policy Framework will change. If radical changes are introduced this may create additional complexity for the Council which could lead to delays in implementation of the new local plan and/or impact on the Council's ability to achieve the objectives set out in the new Local Plan.

Options

13. The Audit Committee has two options:

- Option 1: note the strategic risks for 2023/24 and make no observations to the Executive
- Option 2: note the strategic risks for 2023/24 and make any observations to the Executive.

14. The Executive has two options:

- Option 1: approve the strategic risks for 2023/24. This is the recommended option.
- Option 2: do not approve the strategic risks for 2023/24. 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 2023/24 financial year.

Legal Implications

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

Financial Implications

16. Financial risks are considered when preparing the Medium-Term Financial Plan, Capital Investment Strategy, Revenue Budget and Capital Programme each year.

17. There are no additional financial implications from this report.

Equalities Implications

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

Communication Implications

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

Environmental Sustainability Implications

20. There are no environmental sustainability 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 risk registers are also an important tool to the Council's identification of and management of risk.
23. The Council's approach to managing risk is a core component of the Code of Corporate Governance.

Other Implications

24. There are no other implications arising from this report

Consultation

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

Policy Framework

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

Background Powers

None