



Governance Committee

Item
11

19 January 2016

Report of

Assistant Chief Executive

Author

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Title

Risk Management Progress Report

Wards
affected

Not applicable

**This is the annual interim report on Risk Management
activity during the 2015/16 financial year**

1. Actions Required

- 1.1 To note and comment upon:
- The work undertaken during the period;
 - The current strategic risk register

2. Reason for Scrutiny

- 2.1 The Risk Management Strategy, which forms part of the policy framework, identifies the Governance Committee as being responsible for reviewing the effectiveness of the risk management process and reporting critical items to cabinet as necessary.
- 2.2 Six monthly progress reports, detailing work undertaken and current issues, are provided to assist with this responsibility.

3. Key Messages

- The key risk continues to be 4d - the potential impact of future central government decisions to reduce public funding, including that of partners.
- This is followed by 5a - failure or inappropriate performance management of one or more strategic partnerships or key contracts.
- The probability of Risk 6c - inability to deliver the budget strategy as planned – has decreased from 4 to 3 resulting in the level of the risk reducing from high to medium.

4. Supporting Information

- 4.1 The aim of the Council is to adopt best practice in the identification, evaluation, cost-effective control and monitoring of risks across all processes to ensure that risks are properly considered and reduced as far as practicable.
- 4.2 In broad terms risks are split into three categories:
- Strategic – those risks relating to the long term goals of the Council
 - Operational – risks related to the day-to-day operation of each individual service
 - Project – the delivery risks of specific initiatives.
- 4.3 Strategic risks are essentially those that threaten the long term goals of the Council and therefore are mainly based around meeting the objectives of the Strategic Plan. They may also represent developing issues that have the potential to fundamentally affect service provision, such as proposals to change assessment processes. Strategic risks are owned by the Senior Management Team.

- 4.4 Operational risks are those that threaten the routine service delivery of the Council. Each service area has their own operational risk register that details the risks associated with providing the service.
- 4.5 Project risks are those that relate solely to the successful delivery of that specific project. They tend to be quantifiable issues, such as resource or time related, and constantly change and develop over the course of the project as each stage is completed. The lead on the project is responsible for ensuring that there is an appropriate risk register and all project risks are monitored and co-ordinated by the Change and Performance team.
- 4.6 Identified risks, in all three categories, are judged against levels of probability and impact to give them an overall score. This allows the risks to be shown as 'high, medium or low' which enables a prioritised action plan to be set for managing risks. There are insufficient resources to be able to reduce all risks - and in some cases it would not be cost effective. Therefore resources are more effectively targeted at the high, and in some cases medium, risks. Categorising an issue as 'high risk' indicates that it would have a fundamental effect on the Council, if it occurred, and therefore plans need to be put in place to either stop it happening or reducing the effect if it does. High risk does not mean that it has, or will definitely, occur.
- 4.7 In many cases the causes of risks are outside of the Council's control, such as general economic issues. The Council cannot stop these risks from occurring (the probability score) but can put plans in place to mitigate against their effect if they occur (the impact score). Likewise there are occasions that risks can be reduced with preventative actions but there is not much that can be done to mitigate their effect if they do occur, such as a failure to protect public resources. Therefore some risks will tend to maintain the same score, regardless of the controls that the Council puts in place.

5. Work undertaken during the period

- 5.1 Following on from the last report to this panel in September 2015 the revised risk management strategy has been agreed by Cabinet and full Council, without amendment, and the policy framework has been updated accordingly.
- 5.2 Following the incident with the sweeper in the Town Centre in October 2015, the Corporate Health & Safety Officer has completed and initial review of the operational risks. There were some minor areas of improvement, but no high level issues were identified and there were no immediate actions identified in the initial feedback from the Health and Safety Inspector. However the Health and Safety Executive have not concluded their enquiries and the final report is still awaited.
- 5.3 The Council's insurances were renewed in August and there were no significant increases in premiums.
- 5.4 The Insurance contract expires next year and work has started on developing the tender documents, which will include a review of the cover requirements. Therefore any changes in service delivery, such as new shared services, need to be included within the specification. The total premiums are approximately £950k per annum, and the indications are that the best case scenario from the tender will be that the premiums remain at a similar level.

6 Strategic Risk Register

- 6.1.1 The current strategic risk register is attached at appendix 1 with the score matrix attached at appendix 2. The register was reviewed by senior management on 17 December 2015.

7. Proposals

- 7.1 To note and comment upon the Councils progress and performance in managing risk during the period from April to September 2015.

8. Strategic Plan Implications

- 8.1 The strategic risk register reflects the objectives of the strategic plan and the actions have been set with due regard to the identified key strategic risks. Therefore the risk process supports the achievement of the strategic objectives.

9. Risk Management Implications

- 9.1 The failure to adequately identify and manage risks may have an effect on the ability of the Council to achieve its objectives and operate effectively.

10. Other Standard References

- 10.1 There are no direct Publicity, Financial, Consultation, Human Rights, Equality and Diversity, Community Safety or Health and Safety implications as a result of this report.