

## **CORPORATE RISK MANAGEMENT REPORT FOR THE PERIOD July to September 2011**

**Submitted by:** Head of Business Improvement and Partnerships

**Portfolio:** Customer Services and Transformation

**Ward(s) affected:** All

### **Purpose of the Report**

To provide an update to Members of the progress made by the Council in enhancing and embedding risk management for the period July to September 2011, including progress made in managing the identified corporate risks.

### **Recommendations**

**The Committee is asked to:-**

- (a) Scrutinise the progress that has been made in managing the risks identified within the Strategic, Operational, Project and Partnership Risk Registers where applicable.**
- (b) Note the new risks that have been identified between July to September 2011.**
- (c) Identify, as appropriate, risk profiles to be scrutinised in more detail as part of your responsibility at the next meeting.**
- (d) Note the horizon scanning risks listed to bear in mind when making decisions on reports submitted to committees and the effect it may have on the future of the council.**

### **Reasons**

The risk management process previously adopted by the council has been reviewed to incorporate changes in the way the council works and to provide continuity and streamlined reporting of risks to the necessary stages so that it becomes further embedded at each level of the authority. This will further develop the identification of key risks that potentially threaten the delivery of the corporate priorities. The new strategy will provide a formal and proportionate framework to manage these identified risks and thus reduce the council's exposure.

To assist the council in its corporate ambition of being an excellent council by helping deliver effective corporate governance, this proactive approach also helps demonstrate good risk management in terms of evidencing that effective risk management is further embedded with the corporate business processes.

## **1. Background**

- 1.1 The council monitors and manages all its risks through the various risk profiles contained within GRACE (Governance Risk and Control Environment) – the council's software for recording and managing risk.

The council currently reviews its High Red 9 risks at least monthly and its Medium Amber risks at least quarterly.

The last review of these risks was reported to your Committee in September 2011.

Risk owners are challenged by the Risk Champions in respect of controls, further actions, ratings and emerging risks and challenge reasons for inclusion or non-inclusion and amendment of these.

Projects are managed to a high level in relation to risk and are reviewed in accordance with the risk management strategy – monthly.

2. **Issues**

2.1 **Strategic, Operational, Project and Partnership Risk Registers (Appendices)**

The Council regularly reviews and refreshes its risk registers in accordance with the risk management strategy. This is co-ordinated by the Strategic Risk Champion who works closely with the Directors, Operational Risk Champions and the Risk Owners.

At the last meeting members were informed that the next report would show the new ratings against the risks. The risk map below shows the descriptions of the ratings, for ease of use.

<b>L I K E L I H O O D</b>	High	7 Amber	8 Amber	9 High Red
	Medium	4 Green	5 Amber	6 Amber
	Low	1 Green	2 Green	3 Amber
		Low	Medium	High
<b>IMPACT</b>				

After the review of the risks had taken place, the following risks have been reduced – through good risk management by your officers, and by the re-rating progress.

- Maintenance expenditure on the Midway car park has reduced from an extreme risk in the old rating system to a medium amber 6 risk in the new rating system.
- The retail-led development of the Ryecroft is proceeding and is now a medium amber 3.
- The risk relating to the planning permission for Jubilee2 has been re-rated from a high risk on the old system to a low green 2 – the project is due for completion/handover during December 2011.

These risks will be removed from the next quarter’s report.

**Appendix A** now highlights the Council’s most significant risks, with the risks that fall into the top line of the ratings only, being reported.

In addition, Members will see that Appendix A includes the ‘old’ register complete with the ‘old’ ratings for each risk. On this version of the ‘old’ register, Members will note that ratings have also been included under each risk using the ‘new’ system. This information has been included so as to allow Members to note how ratings have changed following the changeover from the ‘old’ to the ‘new’ system.

## 2.2 Horizon Scanning

At the last meeting it was requested that a list of legislative developments were provided, either upcoming or current.

Below is a selected list of prospective legislation currently going through Parliament that could have an impact on the council. The list is not exhaustive, but represents a selection of the major pieces of proposed legislation currently under debate prior to Royal Assent

An outline of the proposed changes in each of these Bills and the potential impact on the Borough Council are attached at **Appendix B**.

- Health and Social Care Bill 2011
- Localism Bill 2011
- Police Reform and Social Responsibility 2011
- Motor Insurance Regulation Bill 2011

Members are asked to nominate any further areas of legislation they might wish to consider at a future meeting and to consider whether they wish to receive further information on the Bills listed here.

## 2.3 Local Enterprise Partnership

At the last meeting a request was made regarding the LEP risks and who maintained the risk register. Below is a statement from the Executive Director of Regeneration and Development regarding the status of the LEP body.

The Staffs and Stoke on Trent LEP is a formal, but unincorporated, partnership that has no powers and no resources (either funding or staffing). It is intentionally private sector led with limited support being provided by Local Authorities, principally the two first tier Councils (Stoke on Trent City Council and Staffordshire County Council). It has a governance structure that includes a Board and a range of sub-groups, and clear terms of reference. This Council's Leader is a Board member, representing the interests of the District Councils in the north of the County and officers from the Economic Regeneration team provide support for some of the Board's sub-groups. Apart from maintaining a 'register of private interests', there is no formal risk management procedure at this stage and it is not known whether any such arrangement is planned.

In these circumstances it is considered desirable that the Borough Council should prepare and maintain an up-to-date Risk Log to protect this Authority's interests. Accordingly a risk profile has been prepared for your consideration and is attached at **Appendix C**.

## 3. Outcomes Linked to Corporate and Sustainable Community Priorities

- 3.1 Good risk management is key to the overall delivery of Council and local improvement priorities.

## 4. Legal and Statutory Implications

- 4.1 The Accounts and Audit Regulations 2003 as amended in 2006, state that:

*"The relevant body shall be responsible for ensuring that the financial management of the body is adequate and effective and that the body has a sound system of internal control, which facilitates the effective exercise of that body's functions and which includes arrangement for the management of risk"*

5. **Equality Impact Assessment**

5.1 There are no differential equality impact issues in relation to this report.

6. **Financial and Resource Implications**

6.1 None where actions are to be taken in order to mitigate the risks as these will be met from within existing budgets. Where this is not possible, further reports will be submitted to Members.

7. **List of Appendices**

Appendix A

Appendix B

Appendix C

8. **Background Papers**

None