

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: Corporate Governance Committee
AUTHOR/S: Chief Executive / Finance Project Officer

20 December 2007

RISK MANAGEMENT

Purpose

1. The purpose of this report is for Corporate Governance Committee to review and approve:
 - (a) the strategic risk register and action plans to address risks above the Council's tolerance line; and
 - (b) actions being taken to achieve risk management targets;.

Background

2. At its meeting on 26 September 2007, Corporate Governance Committee approved:
 - (a) the revised risk management strategy;
 - (b) the targets suggested for risk management; and
 - (c) the risk scenarios, prioritisation matrix, strategic risk register and management action plans.
3. The revised risk management strategy and process has been communicated to staff and Members by email and is available on In-Site. The revised strategy included new formats for the risk registers and action plans. At the suggestion of the Chairman of the Corporate Governance Committee, columns have been added to risk registers to indicate the "direction of travel" of risks from previous assessments and timelines to progress risks below the tolerance line. The new formats have been used for this quarterly review of the strategic risk register and action plans.
4. Corporate Governance Committee asked that Executive Management Team (EMT) consider including "Acts of God" in the strategic risk register at its next review.

Considerations

Strategic Risk Register and Action Plans

5. Risks identified at the last review of the strategic risk register were reviewed with the nominated risk owners, together with any associated action plans. EMT reviewed the resulting draft strategic risk register, as follows:
 - (a) Delivering the Medium Term Financial Strategy: Wording added to highlight the need to meet "Gershon" cashable efficiency savings; timeline for action updated to February 2008, to reflect the timetable for setting the Council Tax.
 - (b) Equalities: Owners amended to Chief Executive and Corporate Manager – Policy, Performance & Partnerships, recognising their respective roles.
 - (c) Better Regulation Agenda: Wording amended to relate to potential non-compliance.
 - (d) Housing Futures: Possible outcome clarified re capital and revenue funding.
 - (e) Managing the delivery of political priorities: In view of actions that had been taken to address this risk, EMT reduced its Likelihood assessment from Likely to Possible.

- (f) Choice Based Lettings: Recognising that this risk could have an impact across the sub-regional area, as well as at the local level, EMT increased its Impact assessment from Low to Medium.
 - (g) Flooding / "Acts of God": EMT considered including "Acts of God" alongside or in place of the previously identified Flooding risk; however, as such incidents are included in the Community Risk Register and actively managed through emergency planning and business continuity arrangements, EMT decided that such risks did not need to also be included in the strategic risk register.
 - (h) First point of contact services: Recognising a recent downturn in performance, for which mitigating actions are in place, EMT decided to add this to the risk register as a new risk (Impact assessed as Medium; Likelihood, Possible).
6. Action plans to manage strategic risks above the tolerance line have been updated as follows, demonstrating active and effective management of risks:
- (a) Delivering the Medium Term Financial Strategy: The Chief Executive has requested a meeting with the Minister for Local Government, but as at 4 December 2007 no response has been forthcoming. (Note: This request has been repeated following the announcement of the local government settlement on 6 December 2007.) The MTFS will be reviewed again in February 2008, or earlier if there is a material change in circumstances.
 - (b) Equalities: As November's Cabinet meeting was cancelled, the report on equalities would go to the December meeting; this would not impact on the overall timetable. A follow-up service planning workshop was held in November to ensure that the draft service plans for 2008/09 include issues on equalities. Advice will be given to corporate managers regarding wording of service plans. A report went to Senior Management Team on single status and ongoing work; work is in hand to address any issues arising regarding single status. This risk is being actively managed.
 - (c) Better Regulation Agenda: Key dates amended in line with relevant timetables.
7. Corporate managers have prepared updated service area risk registers as part of the service plan process, so that any significant, corporate or common risks could be identified and considered for inclusion in the strategic risk register. Project managers have similarly provided up to date project risk logs. There do not appear to be any risks arising from service area risk registers or project risk logs that need to be considered for inclusion in the strategic risk register.
8. Corporate managers have included actions in their service plans to manage service area risks assessed above the tolerance line. Project risk logs include countermeasures which indicate active and effective management of risks.
9. The resulting strategic risk register, prioritisation matrix and action plans are attached at **Appendices A, B and C**. Copies of the Inspire, Housing Futures and Growth Areas project risk logs are attached for information at **Appendices D, E and F**.

Targets

10. The table below records progress against the targets adopted for risk management:

<i>Target</i>	<i>Due date</i>	<i>Progress</i>
Annual review of the risk management strategy and process	September 2008	

<i>Target</i>	<i>Due date</i>	<i>Progress</i>
Quarterly review of risk registers and action plans	December 2007; March, June and September 2008	December 2007: Strategic: complete following consideration of this report; Service areas: done.
Training for staff and Members as and when appropriate	None specified	See paragraphs 11 and 12 below.
Communication of revised strategy and process	31 October 2007	Done.
Implementation of revised strategy and process	31 December 2007	Complete following consideration of this report.
Reporting the results of a review of external partnerships to SMT	September 2007	Results reported to EMT in September 2007; and see paragraph 13 below.

11. A risk management workshop was arranged for all Members in October 2007; however, only five Members expressed interest and the workshop was postponed. The Use of Resources level 3 assessment requires that “the members with specific responsibility for risk management have received risk management awareness training”. A training session for Corporate Governance Committee and Cabinet is therefore being investigated for January 2008.
12. The Use of Resources level 3 assessment also requires that “all appropriate staff are given relevant training and guidance to enable them to take responsibility for managing risk within their own working environment”. It is therefore intended to hold an in-house training session for new staff with risk management responsibilities.
13. A separate report is being presented to this meeting regarding external partnerships and proposed actions on risk management and governance relating to them.

Options

14. In reviewing the strategic risk register, matrix and action plans (paragraphs 5 to 9 and Appendices A to C), Corporate Governance Committee could:
 - (a) add to, delete from, or make other changes to the strategic risk register (Appendix A), in terms of either their title or detail;
 - (b) alter the assessment of risks on the matrix (Appendix B), in terms of either their impact or likelihood;
 - (c) add to, delete, or make other changes to the action plans (Appendix C), in terms of their detail.
15. In considering progress on the targets for risk management (paragraphs 10 to 13), Corporate Governance Committee could suggest other actions.

Implications

16. Financial, Legal	There are no immediate financial or legal implications resulting from this report. The cost of the training (paragraph 11) will be met from the funding available under the Council's insurance arrangements.
Financial, Legal, cont'd	Some of the action plans may have financial or legal implications; if so, these will be considered either in separate reports, or within the service plan process.
Staffing	There are no immediate staffing implications resulting from this report, although some of the action plans may have staffing implications - if so, these will be considered either in separate reports, or as part of the service plan process.
Risk Management	Risk management is undertaken regularly in order to minimise the possibility of the Council being adversely affected should either an unforeseen risk arise or an assessed risk not be properly planned for.
Equal Opportunities	The Council's risk management process has no inherent equal opportunities implications; however, Equalities is included as a risk area on the strategic risk register.

Consultations

17. Members of EMT, risk owners, corporate, service and other relevant managers were consulted regarding various aspects of this report.
18. There will be liaison with officers as appropriate regarding the implementation of decisions made by Corporate Governance Committee regarding this report.

Effect on Annual Priorities and Corporate Objectives

19. Affordable Homes Customer Service Northstowe and other growth areas Quality, Accessible Services Village Life Sustainability Partnership	The proposals in this report contribute to the Council's corporate governance responsibilities; they also ensure that strategic risks involved in the delivery of the Council's Corporate Strategy and meeting the Corporate Objectives and Annual Priorities are identified and managed.
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Conclusions/Summary

20. Appendices A to C represent the strategic risk register, prioritisation matrix and action plans resulting from the consultations. Corporate Governance Committee needs to review and agree these as outlined in paragraph 14.
21. The quarterly review of the strategic risk register and action plans enables the Council to manage its strategic risks to an acceptable level.
22. The targets enable progress on risk management to be monitored.

Recommendations

23. Corporate Governance Committee is recommended to approve:

- (a) the strategic risk register provided at Appendix A, the matrix (Appendix B) and the action plans (Appendix C).
- (b) actions being taken to achieve risk management targets.

Background Papers: the following background papers were used in the preparation of this report:

None unpublished

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