

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: Corporate Governance Committee 23 October 2009
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STRATEGIC RISK REGISTER – QUARTERLY REVIEW

Purpose

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

Background

2. At its meeting on 29 June 2009, Corporate Governance Committee:
 - (a) approved the strategic risk register, prioritisation matrix and action plans and the actions being taken to achieve risk management targets; and
 - (b) requested an update on the robust procedures in place to mitigate the risk fire posed to the Council's services, both in terms of prevention and recovery, at the next meeting of the Committee.
3. The Council's Risk Management Strategy was also due to be reviewed this quarter; however, RSM Bentley Jennison, the Council's internal auditors, have recently conducted their risk maturity review. It is therefore proposed that the review of the risk management strategy be deferred until March 2010 in order that any recommendations arising from the risk maturity review can be taken into account, together with any good practice from other sources. This was endorsed by Executive Management Team (EMT) at its meeting on 23 September 2009.

Considerations

4. The strategic risk register has been reviewed with the nominated risk owners and other officers; some changes and new risks were suggested. EMT reviewed the resulting draft strategic risk register at its meeting on 23 September 2009, as follows:
 - (a) Pandemic 'flu: National planning assumptions have been revised; the clinical attack rate and case fatality rates are reduced; accordingly, the risk has been reduced from A1 (Extreme; Almost certain) to B1 (High; Almost certain).
 - (b) Delivering efficiency and other savings: The Medium Term Financial Strategy (MTFS) had been remodelled to reflect several significant changes in the underlying assumptions (reported to Cabinet on 8 October 2009). The risk has been re-worded to reflect this, renamed "Medium Term Financial Strategy" and increased from B3 (High; Possible) to A3 (Extreme; Possible).
 - (c) Planning for Growth: Actions being taken in response to the Council's financial position mean that prospects for supporting growth initiatives might be affected. In view of this, the risk has been increased from C3 (Medium; Possible) to C2 (Medium; Likely), which brings the risk above the Council's risk tolerance line. Planning Services are already reviewing processes and staffing structures to ensure that they meet customers' needs; accordingly, no

strategic risk action plan has been prepared at this stage, however this will be revisited when the strategic risk register is next reviewed.

- (d) Equalities: The Council achieved Level 2 of the Equalities Standard in June 2009; Cabinet agreed to adopt Gender Equality and Race Equality Schemes in September 2009; the draft Gypsy and Traveller Community Strategy is out for public consultation. The risk has therefore been reduced from B3 (High; Possible) to B4 (High; Unlikely), which takes the risk below the Council's risk tolerance line.
 - (e) Recruitment & Retention: The economic situation and the housing market mean that there are more, better qualified, job applicants and fewer vacancies. Accordingly, the risk has been reduced from C3 (Medium; Possible) to C4 (Medium; Unlikely).
 - (f) Embedding values: Workshops have been held for staff and Members; the Values Project Team and other officer groups are bringing together in practical ways, suggestions for behaviours and ideas for taking these forward. Accordingly, the risk has been reduced from C3 (Medium; Possible) to C4 (Medium; Unlikely).
 - (g) LAA action not completed: EMT considered that the scope of this risk should include the Council's corporate objectives; the wording has been amended to reflect this and the title changed to "Corporate objectives / LAA actions".
 - (h) Better Regulation Agenda: Information and guidance from the Local Better Regulation Office suggests that the likelihood of non-compliance would be limited, intervention not likely; in view of the measures that the Council has already put in place, the risk has been removed from the register.
 - (i) Making Cambridgeshire Count: This is a new initiative designed to transform partnership working and public services across Cambridgeshire. The initiative has its own project plan and risk log; however, particular risks relating to the Council have been summarised in the strategic risk register, initially assessed as B3 (High; Possible).
5. Action plans have been rationalised to show the key actions being taken to mitigate risks above the tolerance line. Actions have been reviewed and updated as follows:
- (a) Pandemic 'Flu: The Corporate Manager (Health & Environmental Services) is receiving daily updates on the situation.
 - (b) Medium Term Financial Strategy: new strategic risk action plan prepared.
 - (c) EU Services Directive: Working group and sub-groups working on project plan; reviewing policies and IT systems.
6. Responses have been incorporated as appropriate in the draft strategic risk register, prioritisation matrix and action plans, attached at **Appendices A, B and C**.
7. A summary of the robust procedures in place to mitigate the risk fire poses to the Council's services, both in terms of prevention and recovery, is attached for information at **Appendix D**.
8. Corporate and service managers are revising their service area risk registers alongside their preparation of service plans. The Finance Project Officer has provided a detailed guidance note for service managers on this and has been available to brief teams and/or attend service planning "away days".
9. The table below records progress against the targets adopted for risk management:

| <i>Target</i> | <i>Due date</i> | <i>Progress</i> |
|---------------|-----------------|-----------------|
|---------------|-----------------|-----------------|

| <i>Target</i> | <i>Due date</i> | <i>Progress</i> |
|---|--|---|
| Annual review of the risk management strategy and process | September 2008 | Completed. [Note: The next review was due in September 2009; however, this report suggests (see paragraph 3 above) that this be deferred to March 2010.] |
| Quarterly review of risk registers and action plans | December 2008; March, June, September 2009 | December 2008, March and June 2009: completed. September 2009: - Strategic risk register: in progress; complete following consideration of this report. - Service area risk registers: in progress. |
| Training for staff and Members as and when appropriate: - Staff: - Members: | None specified June 2009 | <ul style="list-style-type: none"> • Briefings were held for new staff and others with risk management responsibilities/ involvement, on 2 and 3 December 2008. • Further training will be given to staff as and when necessary. • A briefing was held for Cabinet and Corporate Governance Committee Members on 4 December 2008. • A workshop was held for Cabinet and Corporate Governance Committee Members on 29 June 2009. Comments and suggestions made will be considered in the review of the risk management strategy. • Further training will be given to Members as and when necessary. |
| Communication of revised strategy and process | 31 October 2008 | Completed. |
| Implementation of revised strategy and process | 31 December 2008 | The Policy and Performance team is now responsible for the Project Management Toolkit. Aligning the risk management element of it with the risk management strategy will be discussed with the team to coincide with the review of the risk management strategy in March 2010. |

Options

10. In reviewing the strategic risk register, matrix and action plans (paragraphs 4 to 6 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 the title or detail of the risks;
 - (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.

11. In considering the procedures in place to mitigate the risk fire poses to the Council's services (paragraph 7 and Appendix D), the Committee could suggest other procedures.
12. In considering progress on the targets for risk management (paragraph 9), the Committee could suggest other actions.

Implications

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| 13. Financial, Legal, Staffing | There are no immediate financial, legal or staffing implications resulting from this report. Some of the action plans may have financial, legal or staffing implications; if so, these will be considered in separate reports. |
| 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

14. Members of EMT, risk owners, service and other relevant managers have been consulted regarding various aspects of this report.
15. There will be liaison with officers as appropriate regarding the implementation of decisions made by the Committee regarding this report.

Effect on Strategic Aims

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| 16. | Commitment to being a listening council, providing first class services accessible to all. |
| | 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 Plan and in meeting the Strategic Aims are identified and managed. |
| | Commitment to ensuring that South Cambridgeshire continues to be a safe and healthy place for all. |
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| | Commitment to making South Cambridgeshire a place in which residents can feel proud to live. |
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| | Commitment to assisting provision for local jobs for all. |
| | |
| | Commitment to providing a voice for rural life. |
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Conclusions/Summary

17. Appendices A to C represent the strategic risk register, prioritisation matrix and action plans resulting from the consultations. The Committee needs to review and agree these as outlined in paragraph 10.

18. The quarterly review of the strategic risk register and action plans enables the Council to manage its strategic risks to an acceptable level.
19. There are robust procedures in place to mitigate the risk fire poses to the Council's services.
20. The targets enable progress on risk management to be monitored.

Recommendations

21. Corporate Governance Committee is recommended:
 - (a) to approve the strategic risk register, prioritisation matrix and action plans and the actions being taken to achieve risk management targets;
 - (b) to note the procedures in place to mitigate the risk fire poses to the Council's services.

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

None unpublished

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