

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: Corporate Governance Committee
AUTHOR/S: Executive Director, Corporate Services

30 September 2011

STRATEGIC RISK REGISTER – QUARTERLY REVIEW

Purpose

1. The purpose of this report is to enable Corporate Governance Committee to consider the Finance & Staffing Portfolio Holder's latest quarterly review and approval of the Council's Strategic Risk Register and decide what future monitoring is required.
2. This is not a key decision but it has been brought to this meeting because the committee agreed at its meeting on 28 March 2011 to receive the portfolio holder's review and approval of the Strategic Risk Register at its September 2011 meeting and to consider whether future monitoring was required.

Recommendations

3. That Corporate Governance Committee:
 - (a) notes the Finance & Staffing Portfolio Holder's latest quarterly review and approval of the Strategic Risk Register; and
 - (b) agrees to monitor the Finance & Staffing Portfolio Holder's review and approval of the Strategic Risk Register annually in future, alongside the annual review of the Council's Risk Management Strategy and process.

Reason for Recommendations

4. The Finance & Staffing Portfolio Holder considers the Strategic Risk Register, the risks included, assessments of their impact and/or likelihood, control measures/ sources of assurance, and timelines to progress risks, on a quarterly basis. The last two reviews have resulted in one risk being removed, one risk's description being added to, several risks' control measures/ sources of assurance updated, one risk's impact/likelihood assessments adjusted, two risks' impact assessments queried and four new risks added. Corporate Governance Committee therefore has assurance that the portfolio holder's approval of the Strategic Risk Register is adequate and effective and that it can rely on its annual review of the Council's Risk Management Strategy and process to monitor that it remains so.

Background

5. The Finance & Staffing Portfolio Holder as the designated lead executive Member for risk management, exercises responsibility for management of the strategic risks facing the Council by reviewing the Strategic Risk Register quarterly.
6. Corporate Governance Committee has exercised its responsibility for the governance aspects of risk management within the authority through:
 - (a) annual review of the Council's Risk Management Strategy and process (next due in March 2012); and
 - (b) periodic review of the Strategic Risk Register, covering reports and other associated documents presented to the Finance & Staffing Portfolio Holder,

together with the minutes of the portfolio holder meetings, to monitor that the Strategic Risk Register has been properly considered by the portfolio holder.

Considerations

7. The Strategic Risk Register was reviewed with the nominated risk owners and other members of Executive Management Team (EMT). EMT agreed changes to the following risks at its meeting on 17 August 2011:
 - (a) Welfare Reform
 - (b) Implementation of National Job Evaluation Scheme
 - (c) Medium Term Financial Strategy (MTFS)
 - (d) Depot size
 - (e) Major projects' impact on small teams
 - (f) Potential risk once HRA reform is implemented
 - (g) Equalities
 - (h) Climate changeand included a new risk, "South Cambs Hall photovoltaic installation", to acknowledge that there are risks associated with that project, while recognising that these will be subject to tight project management controls.
8. EMT also considered that the following new areas of risk, raised by Cabinet at its meeting with Senior Management Team on 23 July 2011, should be included in the Strategic Risk Register:
 - (a) Demands on services from an ageing population
 - (b) Partnership working with Cambridgeshire County Council
 - (c) Keeping up with technology development
9. Details of all the changes referred to in paragraphs 7 and 8 can be found in the report to the Finance & Staffing Portfolio Holder at his meeting on 20 September 2011, agenda item 3, link: [http://scambs.moderngov.co.uk/documents/s57620/Strategic Risk Register report.pdf](http://scambs.moderngov.co.uk/documents/s57620/Strategic_Risk_Register_report.pdf).
10. The updated risks were included in the draft Strategic Risk Register, which was considered by the Finance & Staffing Portfolio Holder at his meeting. As this report had to be published the day after that meeting, it has not been possible to refer to the minutes of that meeting; however, key points arising at the meeting were:
 - (a) It was noted that Welfare Reform was the subject of a separate report on the same agenda and that the Medium Term Financial Strategy was now due to be updated in November rather than September 2011.
 - (b) The portfolio holder agreed that the new "Demands on services from an ageing population" risk (paragraph 8. (a) above) should be shown as a separate risk from STR12 Supported Housing.
 - (c) The portfolio holder asked that EMT specifically review the Impact assessment scores for two risks, STR12 Supported Housing and STR02 Equalities, at its next meeting.
 - (d) The portfolio holder added the phrase "and deliver efficiencies" to the risk description for STR21 Keeping up with technology development.
 - (e) Subject to (d) above, the portfolio holder approved the Strategic Risk Register and Matrix.
11. The resulting updated Strategic Risk Register CorVu report and Matrix are attached for information as **Appendices A and B**, respectively.
12. The CorVu report enables movement in strategic risk scores to be monitored, where Red / Amber / Green means:

for risks previously above the line

for risks previously below the line

Red:	<ul style="list-style-type: none"> the score has increased 	<ul style="list-style-type: none"> the score has increased to above the line
Amber:	<ul style="list-style-type: none"> the score has not changed, or has decreased but stays above the line 	<ul style="list-style-type: none"> the score has increased but stays below the line
Green:	<ul style="list-style-type: none"> the score has decreased to below the line 	<ul style="list-style-type: none"> the score has not changed, or has decreased

Options

- In considering its monitoring of the Finance & Staffing Portfolio Holder's quarterly review of the Strategic Risk Register and Matrix, Corporate Governance Committee could agree that this will be undertaken annually in future, alongside the annual review of the Council's Risk Management Strategy and process (***this is the recommended option***).
- Alternatively, the Committee could decide to continue monitoring at half-yearly intervals, or to revert to quarterly monitoring.
- Another option might be for the Committee to nominate one of its members to attend Finance & Staffing Portfolio Holder meetings at which the Strategic Risk Register is reviewed, mirroring similar attendance by Scrutiny and Overview Committee Monitors.

Implications

16. Financial, Legal, Staffing	There are no immediate financial, legal or staffing implications resulting from this report. Some of the control measures/ sources of assurance 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.
Equality and Diversity	The Council's risk management process has no inherent equality and diversity implications; however, Equalities is included as a risk area on the Strategic Risk Register.
Equality Impact Assessment completed	No Not applicable, as this is a report about a quarterly review, rather than a new or updated strategy, policy or procedure.
Climate Change	The Council's risk management process has no inherent climate change implications; however, Climate Change is included as a risk area on the Strategic Risk Register.

Consultations

- Relevant managers have been consulted regarding the various aspects of this report.
- The Finance & Staffing Portfolio Holder reviewed and approved the Strategic Risk Register and Matrix at his meeting on 20 September 2011.

19. There will be liaison with officers and Members as appropriate regarding decisions made by Corporate Governance Committee concerning this report.

Consultation with Children and Young People

20. There has been no consultation with children and young people regarding this report.

Effect on Strategic Aims

21. The regular review of the Strategic Risk Register relates to the Council's strategic aim of being a listening council, providing first class services accessible to all:
- (a) it ensures that strategic risks involved in the delivery of the Council's Corporate Plan and in meeting its Aims/Approaches/Actions, ongoing key Actions for 2010/11 and key Actions for 2011/12 are identified and managed;
 - (b) it also contributes to the Council's corporate governance responsibilities.

Conclusions / Summary

22. The Finance & Staffing Portfolio Holder reviews the Council's Strategic Risk Register on a quarterly basis, enabling the Council to manage its strategic risks to an acceptable level.
23. Corporate Governance Committee can therefore rely on its annual review of the Council's Risk Management Strategy and process to ensure that the portfolio holder's quarterly review and approval of the Strategic Risk Register remains adequate and effective and that the Committee's half-yearly or quarterly monitoring of this is no longer required.

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

None unpublished

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