

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: Corporate & Customer Services Portfolio Holder

18 October 2012

AUTHOR/S: Executive Director (Corporate Services)

STRATEGIC RISK REGISTER – QUARTERLY REVIEW

Purpose

1. The purpose of this report is to enable the Corporate & Customer Services Portfolio Holder to perform the quarterly review and approval of the Strategic Risk Register.
2. This is not a key decision but it has been brought to this meeting because the Corporate & Customer Services Portfolio Holder has been designated as the lead executive Member for risk management, with responsibility for management of the strategic risks facing the Council.

Recommendation

3. That the Corporate & Customer Services Portfolio Holder approves the Strategic Risk Register and Matrix.

Reasons for Recommendation

4. The Strategic Risk Register and Matrix forms the record of corporate risks the Council currently faces in the delivery of services and the achievement of strategic aims, together with control measures to address / sources of assurance over the risks.

Background

5. The Corporate & Customer Services Portfolio Holder as the designated lead executive Member for risk management, has responsibility for management of the strategic risks facing the Council and reviews the Strategic Risk Register quarterly.
6. Corporate Governance Committee monitors the portfolio holder's review and approval of the Strategic Risk Register on an annual basis.

Considerations

7. In accordance with a recommendation in Internal Audit's Risk Maturity Review, notes have been made against risks, where performance indicators can be linked with control measures / sources of assurance. The performance indicators are intended as a guide to whether the control measures / sources of assurance are effective.
8. The Strategic Risk Register has been reviewed by the nominated risk owners and Executive Management Team (EMT). Changes proposed to risk descriptions, control measures / sources of assurance or timescales to progress are highlighted in the draft Strategic Risk Register, attached as **Appendix A**. Particular risks to note are:
 - (a) **STR08, Medium Term Financial Strategy (MTFS)**: The potential impacts of Welfare Reform (especially localisation of council tax benefit) and proposed changes in Government funding (e.g. localisation of business rates, formula grant, new homes bonus, council tax freeze) on the MTFS are not yet known

in detail, but transfer significant risk to the authority. It is recommended that the Impact score be increased from 4 (High) to 5 (Extreme) and the Likelihood score be increased from 3 (Possible) to 4 (Likely).

- (b) **STR24, HRA Business Plan:** The HRA Business Plan has its own associated risk register; this is the only risk on it which it is considered also needs to be included in the Strategic Risk Register. It is recommended that the Likelihood score be reduced from 3 (Possible) to 2 (Unlikely), bringing the risk below the Council's risk tolerance line.
- (c) **STR23, Achieving a 10% reduction in CO2 emissions:** This target has been achieved; it is therefore recommended that this risk be removed from the risk register and it is accordingly shown **greyed out** at the end of the risk register.
- (d) **STR21, Keeping up with technology development:** In their recent reviews of service area risk registers, EMT has considered that they contain too many operational risks of a relatively minor nature. In future, therefore, service area risk registers reported to EMT will only show risks with a combined score of 5 or more (risks scoring 4 or less will still be on the risk registers, but will not be included in the reports to EMT). As this strategic risk only has a score of 4, EMT has proposed that it be retained on the Strategic Risk Register, but not be included in the strategic risks reported, unless the score should increase. Accordingly, the risk is shown **greyed out** at the end of the risk register.

9. The draft Strategic Risk Register at Appendix A enables movement in strategic risk scores to be monitored, where Red / Amber / Green means:

	<u>for risks previously above the line</u>	<u>for risks previously below the line</u>
Red:	• the score has increased	• the score has increased to above the line
Amber:	• the score has not changed, or has decreased but stays above the line	• the score has increased but stays below the line
Green:	• the score has decreased to below the line	• the score has not changed, or has decreased

10. The draft Strategic Risk Matrix, attached at **Appendix B**, shows risk Impact and Likelihood scores in tabular form. The Appendix also shows **greyed out**, those areas where risk scores are considered to be relatively minor in nature. Future reports will note for information, any strategic risks in these areas.

Options

11. In reviewing the Strategic Risk Register CorVu report and Matrix (paragraphs 7 to 10 and Appendices A and B), the Corporate & Customer Services Portfolio Holder could:
- (a) add to, delete from, or make other changes to risks, in terms of either the title or detail of the risks or control measures / sources of assurance;
 - (b) alter the assessment of risks, in terms of either their impact or likelihood.

Implications

12. Financial, Legal, Staffing	There are no immediate financial, legal or staffing implications resulting from this report. Some control measures may have financial, legal or staffing implications; if so, these will be considered separately.
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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

13. Risk owners and members of EMT have been consulted regarding various aspects of this report.
14. There will be liaison with officers as appropriate regarding the implementation of decisions made by the Corporate & Customer Services Portfolio Holder regarding this report.

Consultation with Children and Young People

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

Effect on Strategic Aims

16. The proposals in this report relate to the Council's strategic aim of being a listening council, providing first class services accessible to all:
 - (a) they contribute to the Council's corporate governance responsibilities;
 - (b) 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.

Conclusions / Summary

17. Appendices A and B represent the draft Strategic Risk Register and Matrix resulting from the consultations.
18. The quarterly review of the Strategic Risk Register enables the Council to manage its strategic risks to an acceptable level.

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

None unpublished

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