

## SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

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**REPORT TO:** Corporate & Customer Services Portfolio Holder

4 September 2015

**AUTHOR/S:** Executive Director (Corporate Services)

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### STRATEGIC RISK REGISTER

#### Purpose

1. The purpose of this report is to enable the Corporate & Customer Services Portfolio Holder to view the Strategic Risk Register being formally reported to Cabinet for approval on 10 September 2015.
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.

#### Recommendation

3. That the Corporate & Customer Services Portfolio Holder recommends to Cabinet, approval of 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. Risk management best practice is that the executive and governance roles should be carried out separately. These roles were therefore allocated between the Executive and Corporate Governance Committee in February 2010, as follows:
  - (a) agreement and ownership of the strategic risks facing the Council - the executive role - to the Executive, led by the appropriate portfolio holder;
  - (b) approval of the risk management strategy; advice and assurance regarding the adequacy and effectiveness of risk management - the governance role - to Corporate Governance Committee.
6. Cabinet, led by the designated portfolio holder for risk management, therefore takes executive responsibility for management of the strategic risks facing the Council, including review of the Strategic Risk Register.

#### Considerations

7. The Strategic Risk Register has been reviewed with the nominated officer risk owners and other members of EMT, and considered at EMT's meeting on 12 August 2015. Changes proposed to risk descriptions, control measures / sources of assurance, timescales to progress or likelihood / impact scores are highlighted in the draft Strategic Risk Register, attached as **Appendix A**. Particular risks to note are:

- (a) **STR15, Welfare Reform.** Officers are assessing the potential effects of the Government's July 2015 Budget and will consider whether the risk score needs to be increased in the light of that review.
- (b) **STR24, HRA Business Plan.** The 1% rent cut announced in the July 2015 Budget will effectively take £134m out of the HRA Business Plan and have a significant impact on the Council's build programme. It is therefore suggested that the Likelihood score be increased from 2 (Unlikely) to 4 (Likely).
- (c) **STR25, Increase in numbers in Bed & Breakfast accommodation.** The combined impacts of the welfare benefit changes announced in the July 2015 Budget will impact here. The authority needs to prepare for a surge in homeless applications with the potential risk of paying out £500k to £1m in Temporary Accommodation / B&B costs. It is therefore proposed that the Impact score be increased from 3 (Medium) to 4 (High) and the Likelihood score be increased from 2 (Unlikely) to 4 (Likely).
- (d) **STR28, Recruitment & Retention.** Difficulties in recruitment and retention, especially in some professional areas, have led to reduced staffing capacity, with associated potential corporate issues. It is therefore proposed that this be included on the Strategic Risk Register, with initial assessments of Impact and Likelihood of 3 (Medium) and 5 (Almost certain), respectively.
- (e) **STR03, Illegal Traveller encampments or developments.** As additional planning consents have been granted, addressing the identified need from the Gypsy & Traveller Area Needs Assessment, it is suggested that the Impact score be reduced from 4 (High) to 3 (Medium).

8. EMT also considered whether risks should be allocated to Members (i.e. portfolio holders) as well as officers, as Risk Owners, similar to the Corporate Plan, which names portfolio holders and lead directors.

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 Council's risk tolerance line</u>	<u>for risks previously below the Council's risk tolerance 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. Strategic Risk Registers reported to EMT and Cabinet only show risks with a combined score of 5 or more. Risks scoring 4 or less are still on the risk register, but are not included in the reports to EMT. There is currently one such risk, STR21 Keeping up with technology development, with a score of 4.

11. The draft Strategic Risk Matrix, attached at **Appendix B**, shows risk impact and likelihood scores in tabular format. The appendix also shows **greyed out**, those areas where risk scores are considered to be relatively minor in nature.

12. EMT recommended that Cabinet approves the Strategic Risk Register and Matrix, and that Cabinet and Corporate Governance Committee approve allocating risks to Members (i.e. portfolio holders) as well as officers, as Risk Owners.

## **Implications**

13. In the writing of this report, taking into account financial, legal, staffing, risk management, equality and diversity, climate change, community safety and any other key issues, the following implications have been considered:

### ***Financial, Legal, Staffing***

14. 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.

### ***Risk Management***

15. 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***

16. 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.

### ***Climate Change***

17. The Council's risk management process has no inherent climate change implications; however, 'Safeguarding the Council's services against climate change' is included as a risk area on the Strategic Risk Register.

## **Consultation responses (including from the Youth Council)**

18. Risk owners and members of EMT have been consulted regarding various aspects of this report; their responses have been reflected in paragraph 7 above and in the draft Strategic Risk Register and Matrix attached as Appendices A and B.
19. There will be liaison with officers as appropriate regarding the implementation of any decisions made by Cabinet on 10 September 2015 regarding the Strategic Risk Register, and by Cabinet on 10 September and Corporate Governance Committee on 25 September regarding allocating risks to Members as well as officers as Risk Owners.
20. There has been no consultation with the Youth Council regarding this report.

## **Effect on Strategic Aims**

### **Aim 1 - Engagement**

21. This report relates to the Council's strategic aim of delivering first class services and value for money:
- (a) it contributes to the Council's corporate governance responsibilities;
  - (b) it also ensures that strategic risks involved in the delivery of the Council's Corporate Plan and in meeting its strategic aims are identified and managed.

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

None unpublished

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