

Cheltenham Borough Council
Economy and Business Improvement Overview and Scrutiny
Committee – 23 May 2011
Corporate Risk Register

Accountable member	Cabinet Member Corporate Services, Councillor Colin Hay
Accountable officer	Mark Sheldon, Director Resources
Accountable scrutiny committee	Economy and business improvement
Ward(s) affected	None
Key Decision	No
Executive summary	The corporate risk register is “owned” by the senior leadership team as it is a management tool that helps managers run their business effectively, but members also need to be aware of the risks they may impact on the council and the decisions it makes. The risks within the attached register were updated by the senior leadership team on the 10 th May and sets out progress against deadlines and mitigating actions.
Recommendations	<p>1.1.1 The committee are asked to consider the register and identify any further corporate risks which they feel should be brought to the cabinet’s attention.</p> <p>1.1.2 The committee are asked to consider whether the mitigating actions to manage the identified risks are appropriate and if there are other actions which they would wish to bring to the cabinet’s attention.</p>

Financial implications	<p>There are a number of risks in the corporate risk register which, if not managed have the potential to expose the council to financial costs which are not provided for within existing budgets. The mitigating actions seek to control the risk of expose to these costs.</p> <p>Contact officer: Mark Sheldon E-mail: mark.sheldon@cheltenham.gov.uk Tel no: 01242 264123</p>
Legal implications	<p>The effective engagement of members in the management of corporate risk contributes to sound corporate governance and probity in corporate decision making.</p> <p>Contact officer: Peter Lewis E-mail: peter.lewis@teWKesbury.gov.uk, Tel no: 01684 272012</p>

HR implications (including learning and organisational development)	There are a number of risks in the corporate risk register that have HR implications (e.g. capacity, skills for commissioning, health and safety) however these are addressed through the mitigating actions. Contact officer: Amanda Attfield E-mail: amanda.attfield@cheltenham.gov.uk Tel no: 01242 264186
Key risks	If the council does not manage its risks appropriately then this can lead to ill-informed decisions.
Corporate and community plan Implications	Effective identification and management of risk helps the council make informed decisions and manage its corporate plan priorities. .
Environmental and climate change implications	There are no specific environmental or climate change implications arising from the report, but the council is keen to ensure that the risks of climate change and ability to mitigate and adapt are built into service plans and risk registers.

2. Background

- 2.1 Effective risk management is a key component of good governance arrangements and the senior leadership team review the register on a monthly basis. They consider where mitigating actions may not be progressing as planned or may not have achieved the desired outcomes or what further action needs to be taken. They also consider any new risks and identify the mitigating actions which need to be taken to manage the impact and likelihood of that risk.
- 2.2 Each division has a service plan where they record and manage their divisional risks and those that score 16 or over are brought to the senior leadership team and the corporate implications discussed and where necessary escalated to the corporate register.
- 2.3 The dashboard and the register highlight that there are currently 35 active risks on the register, 2 with a low score, 24 with a medium score and 9 with a high score. The dashboard goes on to highlight the number of risks within those categories that are either on target to *meet*, *may not meet* or *will not meet* their specific deadline for reducing or removing risks.
- 2.4 Risks that are closed by SLT are listed at the end of the register in a greyed out format.
- 2.5 All of these risks are continually monitored by the risk owners and collectively managed by SLT on monthly basis.

3. Exceptions

- 3.1 This section of the report provides information on new risks and those that are scored at medium or high which may or will not meet their deadlines i.e. those that are highlighted within the register as Amber or Red, the reasons for this and what is being done to mitigate the risk.

Table 1: New risks since the last report

Risk number	Risk
CR47	If the emerging car parking strategy which specifically relates to development sites is not properly articulated then it is likely that any potential redevelopment could be misinterpreted and not favourably received.
CR48	If key employees are suddenly unavailable then service delivery will be severely compromised.
CR49	If County LEP does not progress then it may damage the ability of the Task force to deliver wider vision through inability to access potential funding and technical resources
CR50	If there is not sufficient time for detailed review and approval of the Solution Design Documents (SDDs) for the GO Programme (Agresso system), and preparation for that review within required timescales, then the eventual solution design may not be robust.
CR51	If the airport project cannot be delivered within the business plan parameters, (including borrowing limits) approved by Cheltenham and Gloucester city councils, then the borrowing costs may fall on the councils
CR52	If the Waste Project between some of the GO partners has significant effects on the GO programme from both a Governance and operational perspective, delivery of the GO Programme may be adversely impacted.
CR53	Resourcing: If availability of critical resources during the GO implementation and post implementation period - then officers involved in project may be unable to provide day to day delivery of service to their authority.
CR54	The proposed welfare reforms and parallel increases to affordable rents may lead to an increase in housing rent arrears across the social rented sector.
CR55	If the council is not alert to new legislation with regard to fixed term tenancy arrangements and social rents then it may find that there are issues with people's ability to access social rented properties and the potential disruption to communities as people face fixed term tenancy arrangements.
CR56	Due to financial constraints the GO Programme does not have a separate business change manager role, and if the necessary change both within the retained organisation and inside the shared service does not take place to the required level, savings may be compromised. This was logged as a risk in August 2010; however on 20th April 2011 the GO Programme Board took a decision to increase the risk rating.

Table 2: Risks that may or will not meet their original deadline for mitigating the risk

Risk number	Risk	Risk score	Why mitigating actions will or may not reduce or remove the risk by the original deadline
High Risks			
CR34 b	If the council does not have robust testing of its business continuity plans then there is a risk that they may not be effective	16	The recently implemented infrastructure will support 25 key systems before these systems can be tested. This will involve some downtime in order for ICT to migrate the applications and data. Once ICT have resolved the issue, timescales will be drawn up to migrate the systems and carry out audit testing. Full test of key systems will be considered following results from audit test
CR35	If the current public service proposed budget cuts mean that the county council are unable to fund and provide officer resource for strategic infrastructure planning phase 3 then the JCS will not be supported by robust evidence which may lead to inappropriate development	16	Awaiting GCC restructuring and budget allocation
CR52	If the Waste Project between some of the GO partners has significant effects on the GO programme from both a Governance and operational perspective, delivery of the GO Programme may be adversely impacted.	20	Work has been undertaken to determine the interrelationship between the GO programme and ERP build and the waste project to ensure that the implications of both are understood and are addressed in the reports to be considered by the Cabinet and Council in June / July 2011.
Medium risks			
CR13	If members, senior managers and employees do not recognise their obligations and responsibilities for equalities then there is a risk that we could be treating people unfairly and the council could face prosecution	9	Equality impact assessment has been carried out on the budget; equality issues have been included in new community assessment tool to be used as part of commissioning work. Need for SLT to be briefed on the introduction of the new public sector equality duty set out in the Equality Act.
CR17	If members, senior managers and employees do not recognise their obligations and responsibilities for information management including data	9	Information strategy has not progressed as anticipated due to other work commitments. Revised deadline for information strategy

	quality and information security then it could result in ill informed decisions, unreliable outcomes, ineffective use of resources and loss of assets, leading to a reduced public reputation and a lack of confidence from regulators		set for June 2011 and will need to be built into work plans for overview and scrutiny as well as forward plan for cabinet.
CR20	If knowledge and skills about commissioning are not developed within the organization, there is a risk that services will not be commissioned or delivered in the right way which may impact on flexibility and/or costs.	12	The member joint party working group are defining Member roles under commissioning and when complete these will be used to audit member's current knowledge and skills. It is unlikely that the audit will be complete by the end of March 2011.
CR32	If the council is unable to realise the capital value of some of its assets it will be unable to progress the civic pride proposals	12	SPD formally adopted on 13.12.10 (Full Council). OJEU Notice issued 24.1.11 as per target. 5 bidders short listed in line with programme. Other asset disposals progressing as planned.
CR44	If CBC do not complete the PCI self assessment and identify all of the risk then there is a risk that there could be a breach in security and subsequent fines from the Information Commissioner	15	An audit assessment has been carried out to ascertain a number of quick fixes these will be relayed to Service Managers. Workshop arranged for 08/04/2011 to consider self assessment. Workshop reviewed self assessment document and meeting has been arranged with bank representative 13th May
CR49	If County LEP does not progress then it may damage the ability of the Task force to deliver wider vision through inability to access potential funding and technical resources	8	LEP proposal discussed with stakeholders and submitted to Dept. CLG and BIS

4. Reasons for recommendations

- 4.1 The committee need to be satisfied that the council is taking appropriate action to mitigate its risks and reduce either the likelihood or impact of such risks on the council's ability to deliver on its outcomes and objectives.

5. Alternative options considered

5.1 No alternative options have been considered. It was agreed by both the cabinet and E&BI those corporate risks should be reported quarterly for consideration by members.

6. Consultation and feedback

6.1 No consultation has been undertaken.

7. Performance management –monitoring and review

7.1 Cabinet leads discuss risks with their respective assistant directors at one to one meetings. The senior leadership team consider the risk register on a monthly basis, and challenge how risks are being managed and monitored.

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Appendices	1. Corporate Risk – ‘Dashboard’ 2. Corporate risk register
Background information	