

Cheltenham Borough Council
Economy and Business Improvement Overview and Scrutiny
Committee – 23 January 2012
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 that may impact on the council and the decisions it makes. The risks within the attached register are continually updated by the senior leadership team. The attached version is as of the 10 th January 2012.
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 at their meeting on the 7th February 2012..</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 like to suggest</p> <p>1.1.3 At your meeting on the 28th November a Member of E&BI suggested that officers consider if it was possible to report how many risks had been accepted. In response to this, Members are asked to consider a new approach being proposed by officers to record, score, monitor and report Corporate Risks.</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 record and manage their divisional risks and those that score 16 or over are brought to the senior leadership team where they are considered for escalation to the corporate register.
- 2.3 The dashboard and the register (appendix 1 and 2) highlight that there are currently 30 active risks on the register, 1 with a low score, 24 with a medium score and 5 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 or transferred by SLT are listed at the end of the register in a greyed out format. There have been 15 risks closed since the last report to E&BI in March.
- 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.

3.2 Table 1: New risks since the last report

Risk number	Risk
CR63	If we fail to agree a county wide approach to implementing the Supporting People strategy then it would result in an inability to effectively manage the budget which would result in reduction of services and/or failure to provide appropriate and integrated housing related support services. This in turn would impact disproportionately on the most vulnerable members of our community and may increase demand on homelessness budget.
CR64	If the proposed transaction between CBC and preferred bidder fails to occur as a result of market instability, inability to deliver price & quality of outputs agreed or failure to secure planning consent then CBC will be forced to abandon existing process and begin again.
CR65	If there is further / ongoing strike action following recent ballot of TU members (in protest against planned pension changes), service delivery - particularly impacting statutory services - is likely to be disrupted.
CR66	If members, senior managers, managers, supervisors, and employees are not fully aware of their obligations and responsibilities for Data Protection particularly in relation to the permitted and lawful disclose of of private and confidential information, then the council could face financial penalties and reputation risks.
CR67	If GCC will give notice shortly to terminate the existing agency agreement relating to the management of the on-street car parking management and enforcement function in March 2013 then CBC may be unable to offer or negotiate acceptable terms for the renewal of the agreement from that date, This will in turn lead to significant HR and financial implications which will need to be managed.
CR68	If the Local Authority Company (for environmental service) is not fully operational on the 1st April 2012 it could impact upon service delivery

Table 2: There have been 28 Corporate Risks closed by SLT between the 01/01/2011 and the 3rd January 2012. The following risks that have been either closed or transferred since the last report to E&BI;

CR65	If there is further / ongoing strike action following recent ballot of TU members (in protest against planned pension changes), service delivery - particularly impacting statutory services - is likely to be disrupted.
CR62	If there is national strike action as a result of the proposed ballot of members as announced at the TUC conference (in protest against planned pension changes), service delivery - particularly impacting statutory services - is likely to be disrupted on Weds 30th November 2011 (the day announced for planned strike action, subject to ballot outcome).
CR64	If there are challenges to the CBC decision making process as a result of the OJEU procurement process, cabinet decision making process or Government call-in then CBC will not be in a position to conclude the transaction.
CR17	If members, senior managers and employees do not recognise their obligations and responsibilities for information management including data 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
CR48	If key employees are suddenly unavailable then service delivery will be severely compromised.
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.
CR57	If the North Place & Portland Street process is compromised by misunderstanding of the proposal or legal framework (OJEU) within which proposal has been developed then Councillors will not lend their support to the scheme.

Table 3: Risks that may or will not meet their original deadline for mitigating the risk

Risk number	Risk	Risk score
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	12
CR12	If members, senior managers, managers, supervisors, and employees are not aware of their obligations and responsibilities for health and safety (in relation to the public, customers, employees) and ensure that the necessary H&S arrangements are in place and adhered to, then the council could face prosecution (and/or personal injury claims) which would carry associated capacity, financial, and reputation risks.	12
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.	9

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 Members discuss risks with their respective 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.
- 7.2 The development of a risk management culture within the council over the last 2/3 years which involves both elected Members and officers has led to more risks being identified and improved management.
- 7.3 The current corporate risk register is within an Excel spreadsheet which is updated and saved each month but is lacking in functionality and flex ability. SLT have agreed that we should start to develop a more sophisticated system that is capable of recording Corporate, Divisional and Project risks with a wider range of reporting tools and access for users.
- 7.4 This new risk management system will provide reports similar to those presented on performance management and will record how risks are related to objectives within the Corporate Strategy.
- 7.5 The new system will be developed over the next 6 months with the new reports being ready for the June meeting. In the meantime there will be no further changes to the current format.
- 7.6 The development of the templates will consider how best to report how many risks had been accepted, closed, transferred or reduced.
- 7.7 A sample of the type of reports that can be produced are included within Appendix 3 and Members are asked to consider if they have any specific requests for additional information to be included beyond the current risk template format.

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Appendices	<ol style="list-style-type: none"> 1. CRR – ‘Dashboard’ 2. E&BI CRR 3. Sample reports styles
Background information	