

AUDIT COMMITTEE

6th December 2011

Report of the Head of Strategic Support

ITEM 6 RISK MANAGEMENT (RISK REGISTER) UPDATE

Purpose of Report

The purpose of this report is to provide the Committee with details of the Strategic Risk Register produced for 2011/12 and to update the Committee with progress with both the Strategic and Operational Risk Registers for 2011/12.

Action Requested

The Committee is requested to note the report.

Background

In accordance with the Committee's work programme the Committee receives quarterly monitoring reports in respect of the Councils risk management arrangements. The reports provide a detailed commentary against the risks included in the strategic risk register and information on the operational risk registers, which are monitored at service team level, on an exception basis (i.e. if there are any significant concerns which need escalating to the Committee).

The Strategic Risk Register for 2011/12 was approved by Cabinet on the 7th July 2011. The register, and the position with the identified risks as at 30th September 2011, is shown at Appendix A.

There are no operational risks identified in Team Plans which need escalating to the Committee at this point in time.

Background Papers: Operational risk registers within individual Team Plans.

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STRATEGIC RISK REGISTER - Quarter 2

Strategic Risk 1	Inherent Risk (Likelihood / Impact)		Overall Score	Corporate Plan Links	Lead Officer	Controls & Mitigating Actions	Residual Risk (Likelihood / Impact)		Net Risk Score
Absence of up to date development plan policy to guide the distribution of homes and to assist in meeting new and affordable homes targets.	4 PROBABLE	4 MAJOR (Reputation)	16 ↑↑↑	PROSPERITY: Increase the number of new and affordable homes within the Borough (by delivering 2000 additional homes by 2012)	Strategic Director - Housing, Planning & Regulatory Services	Progress the LDF Core Strategy to adoption to allocate land for strategic housing needs.	3 POSSIBLE	3 MODERATE (Reputation)	9 ↑↑
COMMENTARY	As previously reported, the Council is aiming to submit the LDF to the Secretary of State in May 2012 and is on target to achieve this.								
CURRENT 'RAG' ASSESSMENT	GREEN								
Strategic Risk 2	Inherent Risk (Likelihood / Impact)		Overall Score	Corporate Plan Links	Lead Officer	Controls & Mitigating Actions	Residual Risk (Likelihood / Impact)		Net Risk Score
Lack of appropriate actions to improve priority neighbourhoods resulting in ineffective targeting of resources leading to continued deprivation, poor health, increased crime and dissatisfaction with the Council.	4 PROBABLE	3 MODERATE (Reputation)	12 ↑↑	PLACE: Improve the quality of life for people living in priority neighbourhoods.	Strategic Director - Neighbourhoods & Community Wellbeing	Implementation of Localism Bill in local communities Neighbourhood Agreements.	2 UNLIKELY	2 MINOR (Reputation)	4 ↑
COMMENTARY	The Council held a workshop with partners in October to look at Priority Neighbourhoods in light of the findings of the social capital survey where it was provisionally agreed to run a follow up survey in Priority Neighbourhoods in the Spring. Work is also being focussed, in partnership with the Police, on youth related issues in Mountsorrel.								
CURRENT 'RAG' ASSESSMENT	GREEN								

Strategic Risk 3	Inherent Risk (Likelihood / Impact)		Overall Score	Corporate Plan Links	Lead Officer	Controls & Mitigating Actions	Residual Risk (Likelihood / Impact)		Net Risk Score
Failure to continue to deliver improvement in the recycling and composting rates.	4 PROBABLE	3 MODERATE (Reputation)	12 ↑↑	ENVIRONMENT: Increase the percentage of household waste recycled, composted and re-used to 50% by 2011.	Strategic Director - Neighbourhoods & Community Wellbeing	Ongoing contracts and performance monitoring. Publicity and community education initiatives. Engagement with Hard to Reach Communities. Zero Waste Strategy	3 POSSIBLE	3 MODERATE (Reputation)	9 ↑
COMMENTARY	The percentage of household waste recycled, composted and re-used at the end of Quarter 2 was 48.47%. The introduction of green recycling bins and battery collections to all properties across the Borough is anticipated to have a positive effect of the recycling rate. In addition to this, the enhanced programme of educational work with students living both on and off campus will contribute to raising the recycling rate. On-going work on encouraging residents to produce less waste and recycle more continues to improve performance.								
CURRENT 'RAG' ASSESSMENT	GREEN								
Strategic Risk 4	Inherent Risk (Likelihood / Impact)		Overall Score	Corporate Plan Links	Lead Officer	Controls & Mitigating Actions	Residual Risk (Likelihood / Impact)		Net Risk Score
Ineffective partnership working resulting in ineffective preparations for major public events and impacts of climate change e.g. flooding leading to an inadequate response to a major incident.	3 POSSIBLE	5 SEVERE (Financial & Reputation)	15 ↑↑	ENVIRONMENT: Identifying priority climate change risks to the Borough and working with partners to minimise those risks.	All Strategic Directors	Participation in the Local Resilience Forum and other partnership groups.	2 UNLIKELY	5 SEVERE (Financial & Reputation)	10 ↑↑
COMMENTARY	The Council fully engages with the relevant parties in considering contingency measures for developing situations. Participation in the Local Resilience Forum is ongoing.								

CURRENT 'RAG' ASSESSMENT	GREEN								
Strategic Risk 5	Inherent Risk (Likelihood / Impact)		Overall Score	Corporate Plan Links	Lead Officer	Controls & Mitigating Actions	Residual Risk (Likelihood / Impact)		Net Risk Score
Inadequate resources, prioritisation and funding to deliver the Climate Change Strategy resulting in not implementing the required actions leading to failure to achieve targets for reducing CO2 emissions.	5 HIGHLY PROBABLE	3 MODERATE (Reputation)	15 ↑↑	ENVIRONMENT: Make a 4% year on year reduction in CO2 emissions from Council operations to 2011.	Strategic Director – Housing, Planning & Regulatory Services	Continue to abide by the obligations set out in the Nottingham Declaration on Climate Change signed up to in 2005. Coordination of activities by the Sustainability Officer.	3 POSSIBLE	3 MODERATE (Reputation)	9 ↑
COMMENTARY	The Corporate Plan target has been achieved.								
CURRENT 'RAG' ASSESSMENT	GREEN								

Strategic Risk 6	Inherent Risk (Likelihood / Impact)		Overall Score	Corporate Plan Links	Lead Officer	Controls & Mitigating Actions	Residual Risk (Likelihood / Impact)		Net Risk Score
Lack of improvement in service user satisfaction with the Council.	4 PROBABLE	3 MODERATE (Reputation)	12 ↑↑	BETTER COUNCIL: Increase the number of residents who say they are satisfied with the Council to 55% by 2012.	Strategic Director – Corporate Services	Access to services offered through a range of channels and with support services where required (minicom phone, AA rated web site, Language line etc) and accessible complaints process. Active monitoring of access to services	3 POSSIBLE	3 MODERATE (Reputation)	9 ↑

						satisfaction rates. Maintain multi agency work in priority neighbourhoods where satisfaction rates tend to be lower. Borough wide monitoring of residents views.			
COMMENTARY	The Council is consistently in the top 4 councils for overall customer satisfaction as measured by GovMetric, which is the most commonly used feedback service with over 80 local authority subscribers in the UK. A corporate plan consultation will be taking place with residents throughout the Borough in November/December 2011 which will include some aspects of the now defunct Place Survey.								
CURRENT 'RAG' STATUS	GREEN								
Strategic Risk 7	Inherent Risk (Likelihood / Impact)		Overall Score	Corporate Plan Links	Lead Officer	Controls & Mitigating Actions	Residual Risk (Likelihood / Impact)		Net Risk Score
Failure to deliver efficiency savings through service redesign and improvements and successful change management, leading to inefficiencies, poor staff morale and lack of value for money.	3 POSSIBLE	4 MAJOR (Financial and Reputation)	12 ↑↑	BETTER COUNCIL: Deliver 3% year on year efficiency savings, and reviewing services to achieve more efficient delivery	Strategic Director – Corporate Services	Ongoing Service Review Programme Council's service and business planning process will identify all opportunities for efficiency savings.	2 UNLIKELY	3 MODERATE (Reputation)	6 ↑
COMMENTARY	Ongoing savings have been identified as part of the 2012/13 budget setting process which will keep the Council on track to respond to the challenges of the most recent Comprehensive Spending Review (CSR).								
CURRENT 'RAG' ASSESSMENT	GREEN								

Strategic Risk 8	Inherent Risk (Likelihood / Impact)		Overall Score	Corporate Plan Links	Lead Officer	Controls & Mitigating Actions	Residual Risk (Likelihood / Impact)		Net Risk Score
Failure to maximise the impact of capital investment in all Council housing stock, leading to tenant dissatisfaction.	3 POSSIBLE	3 MODERATE (Financial & Reputational)	9 ↑	PEOPLE MATTER: To improve the quality of peoples homes	Strategic Director - Housing, Planning & Regulatory Services	Prioritising areas for investment Managing relationships with tenants and partners.	3 POSSIBLE	3 MODERATE (Reputation)	9 ↑
COMMENTARY	The programme agreed by Cabinet is being implemented and progress is on target								
CURRENT 'RAG' ASSESSMENT	GREEN								

Strategic Risk 9	Inherent Risk (Likelihood / Impact)		Overall Score	Corporate Plan Links	Lead Officer	Controls & Mitigating Actions	Residual Risk (Likelihood / Impact)		Net Risk Score
Failure of a major shared service arrangement or other service provider as a consequence of failures in procurement processes and ongoing contract management.	2 UNLIKELY	5 SEVERE (Financial & Reputational)	10 ↑ ↑	BETTER COUNCIL: Improve effectiveness by working in partnerships	Strategic Director – Corporate Services	Robust procurement processes Adherence to Contract Compliance Rules and Guidance Effective regular and rigorous contract monitoring.	2 UNLIKELY	4 MAJOR (Financial & Reputation)	6 ↑
COMMENTARY	The ongoing contract management arrangements in place for existing contracts have not revealed any major issues. Rigorous contract management arrangements are in place for recently let contracts. Rigorous evaluation of new suppliers is undertaken as part of the contract procurement process.								
CURRENT 'RAG' ASSESSMENT	GREEN								

Strategic Risk I 0	Inherent Risk (Likelihood / Impact)		Overall Score	Corporate Plan Links	Lead Officer	Controls & Mitigating Actions	Residual Risk (Likelihood / Impact)		Net Risk Score
Market conditions not being conducive to regeneration schemes coming forward leading to dissatisfaction across the Borough.	5 HIGHLY PROBABLE	3 MODERATE (Reputation)	15 ↑↑	PROSPERITY MATTERS: To work with partners to achieve economic regeneration.	Strategic Director – Housing, Planning & Regulatory Services	Local Development Framework Maintenance and promotion of Charnwood Business website	4 PROBABLE	3 MODERATE (Reputation)	12 ↑↑
COMMENTARY	There is an absence of public funding available for regeneration schemes. The demise of EMDA and Project Leicestershire, means that the agencies primarily responsible for regeneration no longer exist. The possibility of major regeneration schemes coming forward is very low. Officers are working on a new economic regeneration strategy which will identify the council's objectives in light of the corporate plan and the cabinet's vision. This will be embodied in the LDF and will form the basis for the council's engagement with the new Leicester and Leicestershire Local Enterprise Partnership.								
CURRENT 'RAG' ASSESSMENT	AMBER								

Strategic Risk I 1	Inherent Risk (Likelihood / Impact)		Overall Score	Corporate Plan Links	Lead Officer	Controls & Mitigating Actions	Residual Risk (Likelihood / Impact)		Net Risk Score
Failure to ensure adequate business continuity and recovery arrangements, resulting in major internal and/or external disruption to services in the event of an incident.	2 UNLIKELY	5 SEVERE (Financial and Reputation)	10 ↑↑	ALL	Strategic Director - Corporate Services	Business Continuity Planning	2 UNLIKELY	4 MAJOR (Financial and Reputation)	8 ↑
COMMENTARY	The Council experienced a power interruption recently. Systems were restored with some operational issues, which are now being addressed.								
CURRENT 'RAG' ASSESSMENT	AMBER								

