
REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 8
DATE OF MEETING:	4th DECEMBER 2008	CATEGORY: RECOMMENDED
REPORT FROM:	DIRECTOR OF CORPORATE SERVICES	OPEN
MEMBERS' CONTACT POINT:	KEVIN STACKHOUSE (595811)	DOC: u/ks/risk mgt/ monitoring report 10 Dec 08
SUBJECT:	RISK MANAGEMENT – CORPORATE REVIEW AND MONITORING UPDATE	REF:
WARD (S) AFFECTED:	ALL	TERMS OF REFERENCE: FM 14

1.0 Recommendations

1.1 That the updated risk register and associated analysis is considered and noted.

2.0 Purpose of Report

2.1 To provide an update on risk management. This is designed to assist the Council in its day-to-day business by identifying and minimising key risks. This is in accordance with the Council's Risk Management Policy Statement.

2.2 The management of individual risks is part of service management. This report is a half-yearly consolidated review across the Council. Consequently, it shows how significant operational and corporate issues are being managed.

2.3 It also provides an opportunity for the Council to assess its approved framework and to update the Council on any wider issues concerning risk management.

3.0 Detail

Background

3.1 Risk management is a key component of the Council's corporate governance framework. The arrangements for it are subject to regular review and indeed assessment (through Use of Resources) by the Audit Commission.

- 3.2 The Council maintains an overall risk register that contains the main risks that it faces in delivering its services. Effectively they are those contained within individual service plans and those identified by the Corporate Management Team (CMT) and reported in the Corporate Plan.
- 3.3 Risk management cannot in itself guarantee that the risk will never occur. The process is to ensure that risks are managed as far as reasonably practicable, kept under review and monitored accordingly to mitigate the risk occurring, and/or to mitigate the consequences.
- 3.4 It is about ensuring that the management of risk is embedded into the day-to-day operations of the Council. From a positive aspect, it helps to ensure that potential barriers to the Council delivering its priorities are reduced as far as practicably possible and those opportunities for improvement and development are taken. Risks associated with the Council's finances are covered separately in the Medium-Term Financial Plan.
- 3.5 Individual business risks are reviewed and moderated from time to time by the Council's Risk Management Working Group (RMG) who assesses the risks in the light of the Council's overall priorities and service delivery. The current risk register is shown in the following matrix.

Risk Map for the Council (as at November 2008)
Number of risks identified in each category

HOW LIKELY					
A HIGH B PROBABLE C LOW D EXTREMELY LOW			(0) 1		
	(1) 0	(13) 15	(6) 3		
	(2) 2	(18) 20	(9) 9	(1) 1	
	(0) 0	(3) 3	(2) 2	(2) 2	
	IMPACT	4 VERY LOW	3 MODERATE	2 SERIOUS	1 CATASTROPHIC

- 3.6 In this matrix, the darker shading towards the right hand side highlights the high risks, the clear area the medium risks and the lighter shading on the left hand side the lower rated risks.
- 3.7 The overall register shows **58** key risk areas of varying degrees. The figures in brackets relate to May 2008 where there were 57 risks in total.
- 3.8 All risks (by main Division) are shown in **Appendix 1**. These are reflected and monitored in service plans.
- 3.9 The main changes over the last 6 months are that firstly, there are fewer risks in category B2 (the higher medium risks).
- 3.10 This is a critical category for the Council because it identifies those risks that are actually occurring or there is strong evidence to suggest that an issue could arise. It could also suggest that the impact level could be serious, i.e. financial loss, serious injury or material impact on service provision.
- 3.11 Consequently, the Council should be focusing on these risks. Risks in this category have reduced over the last year or so, from 9 in September 2007, down to 6 in May 2008 and now to the latest figure of 4.
- 3.12 The 2 risks that have been managed down over the last 6 months are:
- Full implementation of the Council's Asbestos Policy
 - Security arrangements in the Civic Offices, especially the Reception Area
- 3.13 The 3 risks remaining in this category are:
- Closure of Sharpe's Museum and Tourist Information Centre
 - Failure of I.T. infrastructure
 - Breakdown of Telecommunications System

Disabled Facility Grants

- 3.14 Meeting demand and generating sufficient funding for Disabled Facility Grants has been raised to a higher risk given the continuing pressure in this area – the likelihood of it occurring is high. The Council has on several occasions over the last 2 to 3 years, diverted additional resources to meet demand.
- 3.15 Additional Government grant was awarded for 2008/09 and some external contributions from partner organisations (through the PCT) have also been received in recent months. However, it is still considered that overall, funding will not meet all demand.

A Review of the Higher Risks

- 3.16 In addition to these medium risks, the Council has classified some high risks. These relate to issues that could have quite a significant effect on the Council being able to deliver its services across the board or where there could be serious implications affecting the Council and the local community.

3.17 Of the 58 risks, there continue to be 3 risks that are considered to be high - although the probability of them occurring is very low, the potential impact if they did, could have serious consequences on the Council's services. The 3 risks are highlighted below.

Business Continuity

3.18 The Council does have a Business Continuity Plan in place that is regularly reviewed and tested. The Plan is required by legislation and would help to tackle many problems should they arise.

3.19 However, the issue for the Council is the lack of alternative, specific accommodation to incorporate IT, Telecoms and sufficient space for all staff resources to enable the Council to operate longer-term. This is still currently under review through the formulation of a full Disaster Recovery Action Plan, which stretches beyond I.T.

3.20 However, as previously reported, until alternative accommodation is identified, this will continue to remain a higher risk. Longer-term, it is planned that a back-up facility will be housed within the Council's depot or accommodation elsewhere in the town centre. However, this may not be sufficient to accommodate all resources.

3.21 Although the likelihood of the whole administrative building becoming inoperative is low, should it happen, the Council would need to find alternative accommodation on the market at that time. Given the incidence of existing and new office space available within the District, the Council may be able to find alternative premises. This is kept under review in the Property Services Unit.

Public Events

3.22 This relates to an incident occurring at one of the Council's public events. These are relatively few in number over the course of a year with the Festival of Leisure and the Christmas Lights Switch-on being the largest.

3.23 As previously reported, before each large-scale event an emergency plan is produced which considers all the issues relating to a public event. The police and other statutory partners are involved in this process. Plans are refined after each event if necessary.

3.24 It is still considered that this risk is managed as far as reasonably practicable but should be kept under review and monitored accordingly.

Flooding

3.25 This is considered to be a higher risk due to a greater probability of incidents occurring and clearly the potential impact that has always existed. Warning systems are in place and substantial alleviation works have been completed. In addition, floodgate schemes are instigated at houses previously affected.

3.26 There are potential issues associated with the Fish Ponds where short term bagging of the weir and overflow has been put in place. The Committee will be aware that funding has been allocated to specify detailed works that will provide a better understanding of funding required.

3.27 In addition, any substantial works are a priority scheme in the Council's capital programme pending the identification of resources.

4.0 Financial Implications

4.1 None.

5.0 Corporate Implications

5.1 As detailed in the report.

6.0 Community Implications

6.1 A review of the Council's risks on a regular basis helps to ensure that potential barriers to the Council delivering its services are reduced as far as practicably possible.