



AGENDA ITEM: 5(j)

CABINET: 18 March 2014

Report of: Borough Treasurer

Relevant Managing Director: Managing Director (People and Places)

Relevant Portfolio Holder: Councillor D Westley

**Contact for further information: Mrs Natasha Bryan (Extn. 5098)
(E-mail: natasha.bryan@westlancs.gov.uk)**

SUBJECT: RISK MANAGEMENT

Borough Wide Interest

1.0 PURPOSE OF THE REPORT

1.1 To set out details on the Key Risks facing the Council and how they are being managed.

2.0 RECOMMENDATIONS

2.1 That the progress made in relation to the management of the risks shown in the Key Risks Register (Appendix A) be noted and endorsed.

3.0 BACKGROUND

3.1 Risk management is not about being 'risk averse' – it is about being 'risk aware'. Risk is ever present and some amount of risk taking is inevitable if the Council is to achieve its objectives. Risk Management is about effectively managing risks that could affect the Council and the community. It is also about making the most of opportunities and achieving objectives. By being 'risk aware' the Council is in a better position to avoid threats and take advantage of opportunities.

- 3.2 It is a best practice requirement that the Risk Management Policy and Strategy and the Key Risks Register are reviewed and reported to Members on a regular basis. Consequently it is our standard practice to report on Risk Management issues to Cabinet every 6 months.
- 3.3 Risk Management covers the whole spectrum of risks and not just those associated with finance, business continuity, insurance and health and safety. It also considers risks associated with service provision, compliance with legislation, public image (reputation) and environment. Key Risks are defined as the highest priority risks that may prevent the Council from achieving its objectives or may result in the failure of a service, or the failure to comply with legislation. The Key Risks Register gives a summary of these risks and the work that is being undertaken to mitigate them, although many of these risks will have already been the subject of separate committee reports. In addition each Service maintains its own Service risk register of the specific risks that they face.

4.0 KEY RISK REGISTER

- 4.1 The Key Risk Register attached (Appendix A) shows the current Key Risks and the measures in place to manage those risks. The regular reporting of the Register provides Members with an opportunity to scrutinize key risks and provides assurance that these risks are being effectively controlled.
- 4.2 Some of the key risks and changes in the register are as follows:
- Achieving a balanced budget position for 2015/16 – Council agreed a balanced budget for the 2014/15 financial year at its meeting in February. However ongoing reductions in Government funding mean that there is a significant medium term financial risk facing the Council. These challenges will be addressed through the Business Plan for 2015-18 that is currently being developed
 - Business Continuity - The Council currently has 13 services (or parts of services) that are classed as "Critical Services" and each of those services has a Business Continuity Plan that looks at reducing the risks of issues occurring (where possible) and how to respond if they do. They are intended to be a document that can be used to try to ensure an appropriate level of service is maintained for residents, in the event of a disruption. A review of this area is currently being undertaken and more information will be provided to Members in due course in the form of a Members Update
 - The risk relating to the implementation of the Localism Act has been removed from the Key Risk Register as the issues arising have been dealt with sufficiently so that it is no longer regarded as a key risk. However certain aspects of the Localism Act will continue to be managed and controlled through service risk registers
- 4.3 There are no risks that have been assessed in the "very concerned" category that would require urgent action at the highest level to reduce the risk to an acceptable position. There are a number of risks in the "concerned" or "uneasy"

category but this is largely due to external factors that are not within the direct control of the Council.

5.0 RISK MANAGEMENT POLICY

5.1 The Risk Management Framework and Policy have recently been reviewed to assess whether any amendments or modifications are required. This review identified that, as the policy had been reviewed and updated in January 2013 that it was up to date and that no further changes are required at this time. Details on this review were reported to the January meeting of the Audit and Governance Committee, as this Committee has the responsibility for ensuring that the Risk Management Framework operates effectively. It is intended that the policy will be reviewed once again in 12 months time to ensure it remains fit for purpose.

6.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY

6.1 There are no significant sustainability impacts associated with this report and, in particular, no significant impact on crime and disorder. The report has no significant links with the Sustainable Community Strategy.

7.0 FINANCIAL AND RESOURCE IMPLICATIONS

7.1 The successful management of the key risks facing the Council will ensure that resources are used effectively and efficiently.

8.0 RISK ASSESSMENT

8.1 The continued identification and review of key risks is essential to ensure the management and mitigation of those risks, the successful achievement of the Authority's objectives, and the maximisation of opportunities. By continually monitoring and reviewing the Risks and the Risk Management Framework we will ensure that it continues to improve, develop and meet external assessment criteria and best practice requirements.

Background Documents

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Report.

Equality Impact Assessment

The decision does not have any direct impact on members of the public, employees, elected members and / or stakeholders. Therefore no Equality Impact Assessment is required.

Appendices

Appendix A – Key Risks Register