



AGENDA ITEM: 13

CABINET: 15 September 2009

**EXECUTIVE OVERVIEW &
SCRUTINY COMMITTEE:
1st October 2009**

Report of: Council Secretary and Solicitor

Relevant Portfolio Holder: Councillor David Westley

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SUBJECT: RISK MANAGEMENT

Borough Wide Interest

1.0 PURPOSE OF THE REPORT

1.1 To seek approval of the updated Risk Management Policy and Strategy and to consider the position on key risks facing the Council.

2.0 RECOMMENDATIONS TO CABINET

2.1 That the revised Risk Management Policy and Strategy as set out in Appendix A be approved.

2.2 That the progress made in relation to the management of the risks shown in the Key Risk Register (Appendix B) be noted.

2.3 That call in is not appropriate as this report is being taken directly to the Overview and Scrutiny Committee.

3.0 RECOMMENDATIONS TO EXECUTIVE OVERVIEW & SCRUTINY COMMITTEE

3.1 That the updated risk Management Policy and Strategy together with the Key Risks Register be noted.

4.0 BACKGROUND

4.1 Over the last few years the Council has come a long way in establishing and developing its Risk Management framework. In the Audit Commission's last Use of Resources Assessment (UoR) the Council's Risk Management arrangements scored a level 3, which means that our arrangements are effective and performing well. It is a best practice requirement that the Risk Management Policy and

Strategy and the Key Risks Register is reviewed and reported to Members on a regular basis.

- 4.2 Members first approved the original Risk Management Policy and Strategy on 29th November 2005. The policy and strategy was updated earlier this year and the Audit & Governance Committee endorsed it for submission to Cabinet at its meeting on 29th January 2009.

5.0 RISK MANAGEMENT POLICY & STRATEGY

- 5.1 Whilst the current arrangements have worked well, over time it was established that there was still scope to make further improvements in order to streamline the process and make it more efficient and effective.
- 5.2 Originally two officer Risk groups were established, the “high level” Risk Management Group to determine risk strategy and a Risk Coordinators Group that was made up of representatives from all Divisions to consider more operational issues. These groups have now been merged to form the Risk Management Working Group. A revised Risk Management Policy and Strategy was produced to reflect these arrangements, changes in management structure and a number of other minor issues and was endorsed by the Audit & Governance Committee in January.
- 5.3 Since that time the policy has been further updated to reflect the new management structure agreed by Council in July and borough status. Members are now asked to approve the Policy and Strategy as set out in Appendix A.

6.0 KEY RISKS REGISTER

- 6.1 In December 2008 all Members were invited to a Risk Training refresher course followed by a risk identification exercise. These sessions advised Members of the risk management process and then led on to work on identifying key risks.
- 6.2 Key Risks are defined as the highest priority risks that will prevent the Council from achieving its priorities / objectives or may result in failure of a service, failure to comply with legislation.
- 6.3 Members identified a number of keys risks and these have been combined with those identified by Divisional Managers to produce a “Key Risks Register” for the Council. The Key Risks Register as set out in Appendix B gives a summary of these risks and the work that is being undertaken to mitigate them. The register contains 12 risks, many of which have already been subject of separate committee reports.

Some of the key risks worth noting are as follows:

- The Organisational Downsizing initiative will deliver significant savings and has sought to minimise the impact on front line services. Human Resources together with Divisional Managers and the Unions are working to ensure staff are kept informed, deadlines are met and savings are achieved.

- Reduced Income due less Government Funding & the Global Economic Downturn – The Council has a good track record of setting robust budgets that take full account of financial pressures and include savings targets that are prudent and achievable. The Downsizing Initiative that has recently been agreed will help secure the Council’s medium term financial position. This demonstrates that the difficult financial climate was recognised at an early stage and the challenge to adapt to it has been taken head on.
- Treasury Management investments may prove riskier – the Council has not lost any money in its investments and is achieving a good rate of return despite difficult market conditions.

6.4 In line with the risk management process Business Continuity plans have been established and have considered a number of potential risks that could impact on service delivery including any flu pandemic. These plans have been tested and it is deemed that the Authority has adequate controls in place to mitigate these risks.

7.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY

7.1 The information set out in this report aims to help the Council to improve service performance and is consistent with the Community Strategy aim of providing good quality services that are accessible to all.

8.0 FINANCIAL AND RESOURCE IMPLICATIONS

8.1 There are no direct financial or resource implications arising from the recommendations within this report, but resource implications are set out in Appendix B.

9.0 RISK ASSESSMENT

9.1 The Risk Management process is designed to manage the key risks facing the Authority. If we fail to continue to monitor and control the Risk Management process there is a danger that at our next UoR assessment we will lose the current score of 3, but more importantly we may fail to manage key risks or miss out on significant opportunities and thereby endanger the achievement of our primary objectives.

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

There is no evidence from an initial assessment of an adverse impact on equality in relation to the equality target groups.

Appendices

Appendix A – Revised Risk Management Policy and Strategy

Appendix B – Key Risks Register