



## **AGENDA ITEM: 6 (a)**

**CABINET: 13 November 2012**

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**Report of: Borough Treasurer**

**Relevant Managing Director: Managing Director (People and Places)**

**Relevant Portfolio Holder: Councillor D Westley**

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**SUBJECT: RISK MANAGEMENT REVIEW**

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**Wards affected: Borough wide**

### **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.

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### **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 / or 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. Risk Management reports have been submitted to Cabinet bi-annually in recent years to comply with this requirement.

- 3.3 Key Risks are defined as the highest priority risks that may prevent the Council from achieving its priorities and 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 THE KEY RISKS REGISTER**

- 4.1 The latest Risk Register is attached at Appendix A and 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 the key risks and provides assurance that these risks are being effectively controlled.

- 4.2 Risks continue to change over time and some of the main developments since the last risk management report to Cabinet include:

- Managing the Implementation of the Major Service Reviews (MSRs) – a new set of MSR proposals was formally agreed at Council in October following consultation with stakeholders and residents. The majority of these measures should be in place by April 2013 and should be broadly sufficient to balance up the budget for 2013/14. Consequently implementing these measures provides the means and the opportunity to ensure that the Council remains in a stable financial position but will need to be carefully managed to ensure that they are delivered on time and on budget with a minimal impact on services
- The shared services arrangement with Lancashire County Council and One Connect Limited for Revenue, Benefits and IT Services has been in operation for just over a year. This new contract has successfully delivered financial savings of £500,000 per year in line with the budget target
- HRA Self Financing – the Council has now successfully implemented the new HRA Self Financing system that came into effect in April 2012. This included making a one off payment of £88.212m to the Government funded by fixed interest low cost loans. A long term business plan has also been developed to ensure that the investment needs of the housing stock can be met through a carefully considered asset management process. Consequently this risk has now been removed from the Key Risk Register.
- Managing the impact of the Government’s Benefit Reforms – the Council considered a report on the Localisation of Council Tax Support at its meeting in July and consultation is currently taking place on the scheme to be adopted. A further report will be made to Council in December to enable a final set of proposals to be agreed.

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

## **5.0 OTHER ISSUES**

- 5.1 The Risk Management Framework continues to operate effectively. Training and development for officers is considered on a regular basis, and the Risk Management Officer Working Group continues to meet twice a year.
- 5.2 A detailed review of the operation of the Risk Management framework will be reported to Audit and Governance Committee in January. This report will also consider whether any changes are necessary to the Risk Management Policy and Strategy.

## **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. This will in turn contribute to the successful achievement of the Council’s objectives and making the most out of the opportunities that are available.
- 8.2 By regularly monitoring and reviewing the Risk Management Framework we will ensure that it continues to improve, develop and meet best practice requirements.

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### **Background Documents**

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

## **Appendices**

### Appendix A – Key Risks Register

#### **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.