



AGENDA ITEM: 8(a)

**EXECUTIVE OVERVIEW &
SCRUTINY COMMITTEE:
29 November 2012**

Report of: Borough Solicitor

Relevant Managing Director: Managing Directors

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SUBJECT: CALL IN ITEM – RISK MANAGEMENT REVIEW

Wards affected: Borough wide.

1.0 PURPOSE OF THE REPORT

1.1 To advise the Executive Overview & Scrutiny Committee of the reason for the call in of the decision on the above item, as set out in Minute No. 65 of the meeting of Cabinet held on 13 November 2012.

2.0 RECOMMENDATIONS

2.1 That the Committee determines whether it wishes to ask for a different decision.

2.2 That if the Committee does wish to ask for a different decision, the Committee indicates which of the options set out at paragraph 5.1 below, it wishes to pursue.

3.0 DETAILS RELATING TO THE CALL IN

3.1 The report attached as an Appendix to this report was considered at a meeting of Cabinet on 13 November 2012.

3.2 The decision of Cabinet reads as follows:

“65. RISK MANAGEMENT REVIEW

Councillor Westley introduced the report of the Borough Treasurer which set out details on the key risks facing the Council and how they are managed.

In reaching the decision below, Cabinet considered the details set out in the report before it and accepted the reasons contained in it.

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

3.3 The following reason for call in was given in the requisition:

"We are concerned that 10 of the 12 items listed have moved from a positive position to a negative position and do not feel that there is sufficient detail provided to explain these changes."

3.4 The requisition also provided a different decision which was:

"That the Key Risks Register detailing the key risks facing the Council be noted and the Borough Treasurer be asked to provide a further report setting out in detail the reasons for the change in position from positive to negative."

3.5 The following Members of the Executive Overview & Scrutiny Committee signed the requisition for call-in in accordance with the provisions of Overview & Scrutiny Committee Procedure Rule 15:

Councillor Fillis
Councillor Gagen
Councillor J Hodson
Councillor Pendleton
Councillor Savage

4.0 COMMENTS OF THE BOROUGH TREASURER

4.1 The previous risk management report to Cabinet in March 2012 identified 14 key risks, and the scores on these risks have changed as follows:

- The risk score on 6 items have reduced with 4 of these risks being removed entirely from the key risk register
- The risk score on 5 items have remained unchanged
- The risk score on 3 items have increased

4.2 Consequently the latest risk register actually shows a positive improvement compared to the position earlier this year.

4.3 Where risks are included on the risk register they will typically be the subject of Committee reports. I have included examples of this below for the first 3 risks shown on the risk register:

- Risk 1 - Treasury Management Investments are riskier given current market conditions - 3 reports are made to Council each year on treasury management issues to set the strategy for the year, to report on the mid year position, and to report on the outturn position. The next report is due to be presented to Council in December

- Risk 2 - Managing the implementation of the Major Service Reviews. There have been 2 Major Service Review reports to Council in this year in July and October
- Risk 3 - Failure to manage the impact of the Government's Benefit Reforms - A report on the Localisation of Council Tax Support was presented to Council in July and a further report will be made to December Council

4.4 There is a risk management policy and strategy in place that governs the way in which risk management information is reported to Members. The operation of the risk management framework is considered annually by the Audit and Government Committee, with any changes being approved by Cabinet. Consequently I would suggest that if Members wish to change the existing reporting arrangements then it should be considered through the established process.

5.0 CONCLUSION

5.1 Following consideration of the decision of Cabinet, the requisition for call in and the comments of the Borough Treasurer, the Executive Overview & Scrutiny Committee can decide if it wishes to ask for a different decision. If the Committee does not wish to ask for a different decision then the decision of Cabinet takes immediate effect. If the Committee does wish to ask for a different decision, it may:

- a. refer the decision back to Cabinet (as the decision making body) for reconsideration, setting out the different decision; or
- b. refer the matter to Council. If the matter is referred to Council and Council does not object, then the decision of Cabinet will take effect immediately from that Council meeting date. If the Council does object, then the decision and the objection will be referred back to Cabinet (as the decision making body) for reconsideration.

5.2 The Secretary of State in his Guidance recommends that Overview & Scrutiny Committees should only use the power to refer matters to the full Council if they consider that the decision is contrary to the policy framework or contrary to or not wholly in accordance with the budget.

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

Report of the Borough Treasurer.