



**CABINET: 12 March 2019**

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**Report of: Borough Treasurer**

**Relevant Portfolio Holder: Councillor A. Yates.**

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**SUBJECT: RISK MANAGEMENT**

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### **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 and to propose changes to the Risk Management Policy.

#### **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.

2.2 That the updated Risk Management Policy at Appendix B be approved.

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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 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 the Key Risks Register are reviewed and reported to Members on a regular basis. Consequently it is our standard practice to report on Key Risk Register issues to

Cabinet every 6 months. Reports on the effectiveness of the Risk Management framework are presented to the Audit and Governance Committee, and at its last meeting in January 2019 the Committee endorsed an updated version of the Risk Management Policy.

- 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 scrutinise key risks and provides assurance that these risks are being effectively controlled.
- 4.2 A new risk has been added to the Key Risk Register entitled EU Exit, as after March 2019 if the UK leaves the EU with no deal, there is the potential for service disruption. Whilst plans are being put in place to mitigate this risk, the implications of Brexit on services remains uncertain and for this reason the risk falls into the very concerned category. This new risk is separate to the existing Business Continuity Risk as it potentially applies to all services and not just the eight critical services that are referenced in the Corporate Business Continuity plan. The score relating to the Business Continuity risk has also been increased from content to very concerned since the last report to Cabinet, and business continuity plans are being reviewed and updated to ensure that we are as prepared as possible based upon issues that we consider may arise if there is a no deal Brexit.
- 4.3 A risk relating to the new Development Company has been entered onto the Key Risk Register, and these issues were given detailed consideration at the February 2019 Council meeting.
- 4.4 The scoring of the risk entitled procurement of a new leisure provision has been reduced from concerned to uneasy as market testing shows that there is a good appetite for the proposed new leisure centres and the Council's preferred procurement route and plans.
- 4.5 The score of the risk entitled Significant failure to comply with the General Data Protection Regulation (GDPR) has decreased from concerned to uneasy on the basis of the significant work that has been carried out to ensure compliance.
- 4.6 There are two risks relating to Brexit that have been assessed in the "very concerned" category that require urgent action at the highest level to reduce their risk to an acceptable position, and this work is ongoing. There are also a number

of other risks that have been assessed in the concerned category, but in each case these have been either the subject of recent Committee reports or have been considered through the budget process.

## **5.0 CHANGES TO THE RISK MANAGEMENT POLICY**

- 5.1 The Risk Management Policy has been reviewed by Officers to ensure that it reflects best practice, new developments, systems and organisational change.
- 5.2 A tracked changes version of the updated Policy, which incorporates a number of minor wording changes, is included in Appendix B, which has already been endorsed by the Audit and Governance Committee. Members are now asked to approve these amendments which will be incorporated into a final clean version of the Policy.

## **6.0 SUSTAINABILITY IMPLICATIONS**

- 6.1 There are no significant sustainability impacts associated with this report and, in particular, no significant impact on crime and disorder.

## **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. Government grant funding of £35,000 will be received over a 2 year period in relation to dealing with Brexit issues, with half being received in the current financial year and the other half in 2019/20.

## **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 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.

### **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

Appendix B – Amended Risk Management Policy