



CABINET: 10 March 2020

Report of: Head of Finance, Procurement & Commercial Property

Relevant Portfolio Holder: Councillor A. Yates.

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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 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 2020 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 it faces.

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 Effective Management of Cyber Security. The risk has been assessed as falling into the concerned category however internal controls, including cyber security operations and a joint cyber security action plan with BTLS, are in place to control and mitigate this risk.
- 4.3 The risk relating to failure to provide suitable storage arrangements for the Council's electronic equipment has been downgraded from concerned to uneasy. The revised scoring reflects improvements made to the network storage of the Council's electronic records.
- 4.4 The scoring of the risk concerning the EU exit has been reduced from the very concerned to the concerned category as the likelihood of disruption has been lessened due to recent developments.
- 4.5 The risk assessment of the housing strategy has been reduced from uneasy to content following a full review of all housing strategy delivery actions and achievements.
- 4.6 The risk on balancing the HRA budget has been removed from the key risk register. This follows the four year period of mandatory rent reductions coming to an end and government rules now allowing rents to be increased by up to inflation plus 1%.
- 4.7 There are no risks that have been assessed in the "very concerned" category that requires urgent action at the highest level to reduce the risk to a more acceptable position.

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.

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.

9.0 HEALTH AND WELLBEING IMPLICATIONS

- 9.1 There are no health and wellbeing implications arising from this report

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