

Cherwell District Council

Accounts, Audit and Risk Committee

22 January 2014

Third Quarter Risk Review

Report of Head of Transformation

This report is public

Purpose of report

To update the Committee on the management of Strategic, Corporate and Partnership Risks during the third quarter of 2013/14 and highlight any emerging issues for consideration.

1.0 Recommendations

The meeting is recommended:

- 1.1 To review the quarter 3 Strategic, Corporate and Partnership Risk Register (appendix 1) and identify any issues for further consideration.

2.0 Introduction

- 2.1 The Council sets out its approach to managing risk in its Risk and Opportunities Management Strategy. This document is reviewed and updated on an annual basis and sets out the framework for managing risks of all types.
- 2.2 Risks are reviewed on a quarterly basis, undertaken by the Accounts, Audit and Risk Committee and JMT. This takes the form of reviewing the strategic risk register. Operational risks are reviewed at the departmental level but can be escalated to the strategic risk register if required. Risks may be identified and added to the strategic risk register at any point during the year. However, a formal review is undertaken in the final quarter of the year to refresh the strategic risk register and identify any new or emerging risks or opportunities.
- 2.3 In summary this report sets out the following:
 - The principles by which the Council manages risk
 - The quarter 2 risk heat map (appendix 2)
 - The quarter 3 risk heat map (appendix 3)

3.0 Report Details

3.1 Underlying Principles: the following principles continue to be used for the management of risk

Core Risks: these are the core set of strategic and high level risks that are recorded in the Council's Risk Register and are managed by JMT. They are monitored by the Accounts, Audit and Risk Committee and JMT on a quarterly basis. These risks are defined as strategic, corporate and partnership risks (see 'types of risk' below).

Residual/Net Risk: this is a measure of impact and likelihood after the proposed mitigating actions or controls have been taken into account. This is given a score using a 5x5 matrix which can then range from 1 to 25, with 25 being the highest level a risk can score. Changes in residual risk are highlighted in the risk monitoring reports to draw attention to any increase or decrease in risk and any new controls required.

3.2 Types of Risk the Council distinguishes between types of risk and those defined as strategic, corporate or partnership are held on the Council's core risk register. Operational risks are managed at the service and directorate level and not corporately through the strategic risk register. Our definitions are as follows:

- Strategic risks that are significant in size and duration and will impact on the reputation and performance of the Council as a whole and in particular on its ability to deliver its four strategic priorities.
- Corporate risks to corporate systems or processes that underpin the organisation's overall governance, operation and ability to deliver services.
- Partnership risks to a partnership meeting its objectives or delivering agreed services/ projects.
- Operational risks specific to the delivery of individual services/service performance or specific projects.

3.3 The Council's Risk and Opportunities Strategy was fully reviewed and redeveloped during 2011/12 to take into account the new joint management arrangements with Cherwell District Council. The strategy has been in operation for a year and has ensured that the joint management team uses a single approach to risk management. Risks are clearly identified as South Northants, Cherwell or shared and managed to reflect this status.

The strategy has been reviewed as part of an annual process and minor adjustments have been made. These reflect the recommendations made as part of the audit and changes to the information management and data collection system that underpins the process.

As part of the business planning process for 2013/14 strategic, corporate and partnerships were fully reviewed by JMT (undertaken February 6 2013).

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3.4 The quarter 3 risk register is attached as appendix 1 and the Quarter two and three risk heat maps at appendices 2 and 3 respectively. The register has been reviewed by the risk owners and members of JMT. Each risk has commentary for the quarter included.

3.5 Changes to the risk register are summarised below:

The table below presents the quarter three Cherwell District Council and common risk updates to the strategic risk register:

Risk Type	Risk name	Comments
Strategic Risks	CDC Local Plan - County SHMA	<ul style="list-style-type: none"> County SHMA preparation well advanced in Quarter 2 and due for publication in January 2014 which reduced the risk. The Risk of major increase in housing numbers proposed is receding and this has maintained the risk for Quarter 3.
Corporate Risks	Business Continuity	<ul style="list-style-type: none"> Incident Management Team contact list updated and ready for circulation ahead of inclement weather period. Risk escalated as probability higher in the winter. The responsibility for BCP has been changed to the Head of Community Services, handover is on-going. In Quarter 2 the risk increased and has been maintained for Quarter 3.
	Equalities	<ul style="list-style-type: none"> In Quarter 2 the risk rating has been escalated, two customer complaints have resulted from poor equalities and customer service. Training and communications required at SNC. JMT have reviewed public sector equalities duty. Quarter 3 No change to risk controls/rating at this time. Tailored training programme to be developed for affected service areas. JMT received briefing on the outcomes of the review of the Public Sector Equality Duty. All controls continue to be maintained and in place.
	CDC Planning (Major Applications)	<ul style="list-style-type: none"> Quarter 1 Improvement measures introduced earlier in the year have resulted in successive rise in performance year to date. Quarter 2 Improvement plan actions continue to be carried out. Developers being encouraged to have as much information ready in advance of the applications being submitted Performance sustained and is well above target at 80% Quarter 3 the risk has been maintained

4.0 Conclusion and Reasons for Recommendations

4.1 The following options have been identified. The approach in the recommendations is believed to be the best way forward.

Option One To support the current approach and having considered the Strategic, Corporate and Partnership risks, report any concerns arising to the Executive.

Option Two To reject the current approach and proposals and report any concerns arising to the Executive.

5.0 Consultation

CDC Accounts, Audit and Risk Committee Both committees have been consulted
SNC Audit Committee on the development of the risk strategy.

6.0 Alternative Options and Reasons for Rejection

6.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: To reject the current approach and proposals and request recommend an alternative approach to risk management. This option is not recommended as it departs for the Council's stated approach to risk management as set out in its risk and opportunities strategy.

7.0 Implications

Financial and Resource Implications

7.1 There are no specific financial implications arising from this report.

Comments checked by: Tim Madden, Head of Finance and Procurement,
Tel: 0300 003 0106, E-mail: tim.madden@cherwellandsouthnorthants.gov.uk

Legal Implications

7.2 There are no specific legal implications arising from this report,
Comments checked by: Kevin Lane, Head of Law and Governance,
Tel: 0300 0030 107, Email: kevin.lane@cherwellandsouthnorthants.gov.uk

8.0 Decision Information

Wards Affected

All

Links to Corporate Plan and Policy Framework

All strategic priorities

Lead Councillor

Councillor Nicholas Turner:
Lead Member for Customers and Performance

Document Information

Appendix No	Title
Appendix 1	Quarter three Risk Register 2013/14
Appendix 2	Quarter two risk heat map
Appendix 3	Quarter three risk heat map
Background Papers	
	Risk Audit 2012/13
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