

Cherwell District Council
Accounts, Audit and Risk Committee

6 December 2016

Quarter Two Risk Review 2016-17
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Report of Director - Strategy and Commissioning

This report is public

Purpose of report

To update the Committee on the management of Strategic, Corporate and Partnership risks during the second quarter of 2016/17.

1.0 Recommendations

The meeting is recommended to:

- 1.1 Review the full Strategic, Corporate and Partnership Risk Register for 2016/17 and identify any issues for further consideration or referral to Executive.
- 1.2 Note the risk exceptions highlighted and proposed actions.

2.0 Introduction









- 2.1 The Council details its approach to managing risk in its Risk and Opportunities Management Strategy 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 Joint Management Team (JMT). This takes the form of reviewing the strategic risk register. Operational risks are reviewed at departmental level but can be escalated to the strategic risk register if required.

Whilst a formal review is undertaken annually to refresh the strategic risk register and identify any new or emerging risks or opportunities, risks may still be added at any point during the year.

- 2.3 Appendix 1 sets out the underlying principles which continue to be used for the management of risk
- 2.4 This is the second quarterly performance report provided on the Strategic Risk Register for 2016/17. Risk exceptions have been highlighted to provide a focus on

those risks rated 16 or above (red risks requiring active management) and any changes to risk ratings that have occurred.

- 2.5 **The Risk and Opportunities Management Strategy** (which is a joint document for both Cherwell DC and South Northamptonshire DC) was reviewed and updated for 2016/17 to better reflect the Councils' risk appetite, attitude to risk and changes to the information management and data collection system that underpins the process. The Strategy was reviewed and agreed at the meeting on the 21st September.
- 2.6 This report focusses on risks specific to Cherwell DC and those that are shared and jointly managed with South Northamptonshire Council.
- 2.7 The following key applies to the remainder of the report and associated appendices.










Colour	Symbol	Meaning
Red		Requires active management High impact / High likelihood Risk requires active management to manage down and maintain the exposure at an acceptable level. Escalate upwards.
Amber		Contingency Plans A robust contingency plan may suffice together with early warning mechanisms to detect any deviation from the profile. Escalate upwards.
Green		Good Housekeeping May require some risk mitigation to reduce the likelihood if this can be done cost effectively, but good housekeeping to ensure that the impact remains low should be adequate. Re-assess frequently to ensure conditions remain the same.
Grey		Not updated
		Risk has reduced since previous review
		Risk has increased since previous review
		Risk has not changed since last review
		Direction of Travel is not applicable as risk is new

3 Report Details

3.1 Summary

- 3.1.1 As at the end of Quarter Two, there are two risks rated red (active management), 28 risks are rated amber (contingency plans) and two are rated green (good housekeeping).

- 3.1.2 The two red risks have been escalated this quarter.
- 3.1.3 Three risks have been downgraded slightly but still retain an amber rating.
- 3.1.4 One new corporate risk has been identified and been rated as amber; C16 - Inability to download new voter registrations
- 3.1.5 The table below shows the overall breakdown of risks by ratings for Cherwell DC; split by CDC specific and shared as well as the three risk categories (definitions explained in detail in Appendix 1).

Council	Strategic Risks			Corporate Risks			Partnership Risks		
									
CDC	1	7	-	1	1	-	-	2	1
Shared	-	7	-	-	10	1	-	1	-
TOTAL	1	14	-	1	11	1	-	3	1

3.2 The full risk register has been reviewed by the risk owners and members of JMT and an exception report created; this report focusses on those risks with a residual score of 16 or higher ('Red' risks that require active management), or have had a change in risk scores since the previous quarter.

3.3 Red risks requiring active management

3.3.1 Last quarter, the risk of loss of services at the Horton Hospital was reported as red. It has been recommended at JMT that this is not a Council risk as its only involvement is to provide support in finding solutions to the Trust responsible for the hospital.. This risk has therefore been removed from the register.

3.3.2 At the last meeting when discussing the Horton Hospital risk, a query was raised around whether GP closures in Banbury should be considered as a risk. As this responsibility sits with the Oxfordshire Clinical Commissioning Group (OCCG) and again is not a council risk, it has been recommended that this risk is not incorporated in the register.

3.3.3 Risk C02 – ICT Loss of Systems has been escalated from a rating of 9 (amber) to 16 (red) this quarter. It is felt that the council-wide Disaster Recovery / Business Continuity is not currently fit for purpose and will be addressed through the IT Transformation programme that has been recommended. The IT strategy has been written and is now awaiting approval.

3.3.4 Risk S18 – Banbury Development has also been escalated from a rating of 12 (amber) to 16 (red) this quarter. Controls have been updated to include :

- Regular meetings of the Project Board
- Adopted Asset management Strategy and review of Council car park sites
- Interdependencies map produced showing progress on all major development sites in Banbury
- Adopted local Plan leading to Completion of Banbury Masterplan and Canalside Supplementary Planning Document (SPD)
- Soft Market testing of sites to be concluded in February 2016

3.4 **Change in risk scores:** Three risks have been downgraded this quarter although they remain with an amber rating:-

- C04 – Corporate Fraud : Rating reduced from 12 to 6 (Impact reduced from 4 to 3, Probability reduced from 3 to 2)
- S10 – Deprivation and Health Inequalities (Brighter Futures) : Rating reduced from 9 to 6 (Probability reduced from 3 to 2)
- S21 – Oxfordshire Devolution Deal and Unitary Authority Rating reduced from 12 to 10 (Impact increased from 4 to 5, Probability reduced from 3 to 2)

3.5 Since corporate risk register information has been captured on Performance Matters, 11 risks have had their residual risk rating changed (including the five changes made this quarter). In nine instances this has been a reduction in the overall rating.

3.6 A new risk has been identified: C16 - Inability to download new voter registrations. An inherent rating of 12 was identified which has been adjusted to 9 given the controls and assurances already in place. Details can be found in Appendix 3 – Full risk register

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

Option 2 To reject the current approach and proposals and report any concerns arising to the Executive.

5.0 Consultation

5.1 Both CDC Accounts, Audit and Risk Committee and SNC Audit Committee have been consulted 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 recommend an alternative approach to risk management. This option is not recommended as it departs from the Council's stated approach to risk management as set out in its Risk and Opportunities Management Strategy.

7.0 Implications

Financial and Resource Implications

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

Comments checked by:

Paul Sutton, Chief Finance Officer, 0300 0030 106,
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Legal Implications

7.2 There are no specific legal implications arising from this report,

Comments checked by:

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8.0 Decision Information

Wards Affected

All

Links to Corporate Plan and Policy Framework

All strategic priorities

Lead Councillor

Councillor Barry Wood, Leader of the Council

Document Information

Appendix No	Title
1	Risk Management: Underlying Principles
2	Exceptions – Red Risks
3	Full Risk Register
4	High Level Risk Summary
Background Papers	
None	
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