

Cherwell District Council

Accounts, Audit and Risk Committee

12 April 2018

Leadership Risk Review 2017-18

Report of Director – Customers and Service Development

This report is public

Purpose of report

This report summarises the Council's Risk monitoring position as at 23 March 2018 with updates to the current risk strategy.

1.0 Recommendations

The Accounts, Audit and Risk Committee is recommended to:

- 1.1 Review the Leadership Risk Register and identify any issues for further consideration or referral to Executive.
- 1.2 Note the updated Risk strategy reflecting the Leadership register amendments.

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. Risks are reviewed alongside performance of the business plan objectives, projects and work programmes.
- 2.2 The Leadership Risk register is reviewed on a regular basis, undertaken by the Accounts, Audit and Risk Committee and reviewed monthly by the Corporate Executive Direct Reports (CEDR). This takes the form of reviewing the Leadership risk register updates, any score changes, mitigation and/or control updates. Operational risks are reviewed at departmental level, discussed as part of Directorate management meetings (DMT) but can be escalated to CEDR for discussion of adding to the Leadership risk register when required.
- 2.3 Leadership risks are 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 on its strategic priorities. Operational risks are risks affecting corporate systems or processes that underpin the organisation's overall governance, operation and ability to deliver services.

- 2.4 This is the first report of the new Leadership risk register 2017/18. This report contains all of the Leadership risks with the most recent comments reflecting any updates.
- 2.5 The Risk and Opportunities Management Strategy has been updated for 2017/18 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 also captures the regular review of the Leadership risk register at CEDR alongside performance and financial updates.
- 2.6 This report focusses on the Leadership risks across both Cherwell District Council and South Northamptonshire Council.
- 2.7 The following key applies to the remainder of the report and associated appendices.

Risk Scorecard – Residual Risks						
		Probability				
		1 - Remote	2 - Unlikely	3 - Possible	4 - Probable	5 - Highly Probable
Impact	5 - Catastrophic					
	4 - Major					
	3 - Moderate					
	2 - Minor					
	1 - Insignificant					

Level of risk	How the risk should be managed
High Risk (16-25)	Requires active management to manage down and maintain the exposure at an acceptable level. Escalate upwards.
Medium Risk (10 -15)	Contingency Plans - a robust contingency plan may suffice together with early warning mechanisms to detect any deviation from the profile.
Low Risk (1 – 9)	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.

Risk Definition	
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 on its strategic priorities
Operational	Risks to corporate systems or processes that underpin the organisation's overall governance, operation and ability to deliver services

3 Report Details

- 3.1 This report focusses on the Leadership risks across both Cherwell District Council and South Northamptonshire Council.
- 3.2 The Leadership risk register currently has **13** risks, across both councils, these consist of Financial resilience, Statutory functions, Lack of management capacity, CDC & SNC Local plans, Business continuity, Partnering, Emergency Planning, Health & Safety, Cyber Security and Safeguarding the Vulnerable,

Income generation, Financial sustainability of third party suppliers and Local Government Resilience risks.

3.3 There are currently **no** residual risks rated as high risk (scoring 16-25 requires active management), **12** risks are rated as Medium risk (scoring 10-15 contingency plans) and **one** risk rated as Low risk (scoring 1-9 good housekeeping).

3.4 The table below shows the **13** Leadership risks by residual risk scoring. Each risk is identified by the number within the register.
Eg. **L01 Financial Resilience** has been scored 3x3 = 9 and is captured as a moderate impact, possible probability in the table below.

Risk Scorecard – Residual Risks						
		Probability				
		1 - Remote	2 - Unlikely	3 - Possible	4 - Probable	5 - Highly Probable
Impact	5 - Catastrophic					
	4 - Major		L04, L11			
	3 - Moderate		L03	L01, L02, L10, L12	L05, L06, L07, L08, L13	L09
	2 - Minor					
	1 - Insignificant					

3.5 The Leadership risk register has been reviewed by the risk owners and risk managers and discussed at CEDR. As this is the first report of the Leadership risk register there are no updates with regard to direction of travel. Any changes to scores will be reflected in this report to each committee.

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 Leadership 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 CDC Accounts, Audit and Risk Committee and SNC Audit Committee have been consulted on the development of the Leadership Risks and the updated 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:
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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 Richard Mould, Lead member for Performance

Document Information

Appendix No	Title
1	Leadership Risk Register
2	Shared Risk & Opportunities Strategy
Background Papers	
None	
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