

REVIEW OF STRATEGIC RISK REGISTER

1. SUMMARY

- 1.1 This report updates members on the key strategic risks facing the Council, the associated mitigating actions and changes in these risks.
- 1.2 As the quarterly review process matures review updates will include the following key issues:
- The following risks have been added to the strategic risk register (SRR).
 - None this quarter but updated as required.
 - The following risks have been deleted from the SRR (risk score now zero).
 - None this quarter but updated as required.
 - The following risks are classed as red even after mitigation.
 - Population and Economic decline
 - The following risks have a raw score which classifies them as red but mitigation reduces the assessment to amber.
 - Welfare Reform
 - Income & Funding
 - Asset Base
 - Reputation
 - Demographics
 - Health and Social Care Integration
 - These are the risks which have moved risk category (red/amber/green) in the last quarter.
 - None this quarter but updated as required.
 - These are the risks that are at variance from the agreed risk appetite.
 - None this quarter but updated as required.

2. RECOMMENDATIONS

- 2.1 Performance and Scrutiny Committee to consider the SRR and key risks, changes, trends and exceptions highlighted in this report and identify any issues it would like officers to investigate further.

3. DETAIL

Background

- 3.1 The Council has recently agreed a revised strategic risk register which will be reviewed and updated on an on-going basis and reported quarterly.
- 3.2 The process for reviewing the strategic risk register is outlined below:
- Designated risk owner to update during quarter in consultation with appropriate chief officers /service managers and spokespersons.
 - SMT to consider quarterly review report.
 - Strategic Risk Group consider the SRR at its quarterly meeting.
 - Performance Review and Scrutiny Committee to consider the quarterly review report.
- 3.3 As the SRR has only very recently been agreed and approved, for quarter 1 there are currently no material changes to report.
- 3.4 As the review process matures quarterly review reports will provide a summary of the main changes and trends in scoring and /or mitigation from quarter to quarter and from the start of the financial year. The quarterly review will also identify any new or emerging risks and any risks which have been closed off or removed.
- 3.5 Appendix 1 details the SRR as at June 30th 2013. There are 13 strategic risks identified. Members are requested to consider whether these risks are appropriate to the Council and whether the associated score is reflective of their status.

Risks Added To And Deleted From The SRR

- 3.6 The table below sets out any new risks that have been added to the SRR in the last quarter. (None this quarter)

Theme -	Risk -	Description -
Raw Likelihood	Raw Impact	Raw Score
Mitigation -		
Residual Likelihood	Residual Impact	Residual Score

- 3.7 The table below sets out any risks that have been removed from the SRR in the last quarter. This is because the likelihood and/or impact has now reduced or been mitigated to zero. (None this quarter)

Theme	Risk	Description	Previous Residual Score	Explanation For Removal

Red Risks

- 3.8 It is important to consider those risks that remain red even after mitigation and management action. The table below sets out detail of all of the risks where the residual risk category is red.

Theme /Risk/Description	Raw Score	Mitigation	Residual Score
<p>Operating Market</p> <p>Population and Economic decline</p> <p>Projected population decline and potential economic decline and failure to identify factor causing the decline and then develop and action strategies to address that decline.</p>	20	<p>Single outcome agreement targets population and economic recovery. Plans to be developed to action commitments in SOA.</p> <p>Economic Development Action Plan</p>	16

- 3.9 Those risks which were initially assessed as red but where mitigation and management action has reduced the risk score to amber are also important. The table below sets out detail of all of the risks where the raw risk category is red.

Theme - Risk - Description	Raw Score	Mitigation	Residual Score
<p>Topical Welfare Reform</p> <p>Implementation of welfare reform is not managed well resulting in increased poverty and deprivation or short term crisis</p>	20	<p>Separate project established to manage welfare reform with clear plans, resources and risks identified.</p> <p>Joint working with DWP, CPP and other Agencies to plan response to potential impact.</p> <p>Discussions on-going at national level re local services support framework</p>	12
<p>Finance:</p> <p>Income & Funding:</p> <p>A major reduction in income /funding as result of a reduction in grant funding, reduced collection of council tax or fees and charges</p>	16	<p>Effective framework for longer term financial planning that takes account of longer term funding projections.</p> <p>Monitoring of grant</p>	12

		<p>funding formula.</p> <p>Effective management arrangements for billing and collection of council tax and fees and charges</p>	
<p>Infrastructure: Asset Base: Infrastructure and asset base does not meet current and future requirements. Infrastructure and asset base is not being used or managed efficiently or effectively.</p>	16	<p>Corporate Plan. Capital planning process. Asset Management planning process</p>	12
<p>Operating Market: Demographics: The Council fails to recognise, plan and deliver services in a way that takes account of demographic trends.</p>	16	<p>Monitoring of population trends.</p> <p>Corporate and service planning process.</p> <p>Planning and performance management framework (PPMF).</p> <p>Community Engagement Strategy.</p> <p>Workforce planning.</p>	12
<p>Reputation: Reputation</p>	16	<p>Community Engagement Strategy.</p> <p>Communications Strategy.</p> <p>Action plans to improve customer services.</p>	12
<p>Topical: Health & Social Care Integration</p>	16	<p>Establish a separate project to focus on implementation and identifying and addressing the issues arising</p>	12

Risk Changes And Trends

- 3.10 It is important to draw out for consideration those risks where the residual score has changed during the quarter and these are set out below. (None this Quarter)

Theme	Risk	Description	Previous Residual Score	Revised Residual Score	Explanation Of Change

- 3.11 Appendix 2 contains a number of charts that show the trend in residual risk scoring since the review of SRR/start of the financial year. (No trend data available)

Variation From Risk Appetite

- 3.12 The residual risk scores when the SRR was reviewed have been adopted as the risk appetite for each risk in the SRR. The table below sets out the risks which are currently assessed as being above or below the risk appetite. If a risk is assessed as being above the risk appetite the Council is exposed to more risk than originally planned. If a risk is assessed as being below the risk appetite the Council may be directing too much resource to managing the risk or the risk is reducing.

Theme	Risk	Description	Risk Appetite	Current Residual Score	Variance From Risk Appetite
Risks Where Current Score Exceeds Risk Appetite					
Risks Where Current Score Is Less Than Risk Appetite					

4. CONCLUSION

- 4.1 This report sets out the purpose and process associated with strategic risk register quarterly review reports and summarises the current position.

5. IMPLICATIONS

- 5.1 Policy – None directly but the SRR should be used to assist the Council in setting and reviewing its strategic direction and performance.
- 5.2 Financial – None directly from this report but effective risk management assists with effective governance and stewardship of council resources
- 5.3 Personnel – None
- 5.4 Equal Opportunities – None
- 5.5 Legal – None.
- 5.6 Risk – The report sets out the strategic risks facing the Council and changes to these over the last quarter.

5.7 Customer Service – None.

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