

**To:** City Executive Board

**Date:** 1<sup>st</sup> June 2010 **Item No:** 6

**Report of:** Head of Finance

**Title of Report:** Risk Management Quarterly Reporting

### **Summary and Recommendations**

**Purpose of report:** To provide a summary of the changes to the Corporate Risk Register (CRR) and Service Risk Registers (SRR) submitted as part of the Quarter 4 2009-10 update.

**Report Approved by:**

**Finance: Jackie Yates**  
**Legal: Jeremy Thomas**

**Policy Framework:** Improving value for money and service performance

**Recommendation(s):**

a) City Executive Board are asked to **note** the contents of this report.

## **Summary**

1. This report represents the first update and presentation of the new Corporate Risk Register (CRR). Risks on the old CRR have been either closed, included within the new CRR or incorporated in to Service Risk Registers (SRR).
2. There are 7 CRR red risks being reported this quarter, that is risks with either a current or residual risk status of red (as determined under the new Risk Management Strategy adopted 1<sup>st</sup> April 2010).
3. There are no risks which have deteriorated in position from last quarter. There are also no risks which have been escalated from Service Risk Registers (SRR) to the Corporate Risk Register (CRR) this quarter.
4. There are no new risks recommended for inclusion on the CRR.
5. There are 10 red risks (as determined under the new Risk Management Strategy adopted 1<sup>st</sup> April 2010) on Service Risk Registers (SRR) which are being brought to the attention of the City Executive Board.

## **Purpose of Report**

6. The purpose of this report is to provide a summary of the changes to the Corporate Risk Register (CRR) and Service Risk Registers (SRR) submitted as part of the Quarter 4 2010 update and to share with the City Executive Board the new CRR.

## **Report Structure**

7. During this update risk owners have simply been asked to review their current risks and to report on their status. This is because this is the first presentation of the new CRR which has been developed by the Directors and Chief Executive.
8. There is one risk which is shown as an opportunity, all other risks are expressed as threats.
9. This report will not report on percentage of actions complete as this is the first report in this format and so there is a lack of comparative data.
10. The reports focus is on risks which have a red status for residual and current risk status. Scoring is based on the newly adopted Risk Management Strategy (April 1<sup>st</sup> 2010).

## **Transfer to New CRR**

11. The Directors and Chief Executive completed a blank sheet exercise to identify new corporate risks. With the adoption of the new strategy and risk register template the new CRR is being presented in the new format and in accordance with the new strategy.
12. All risks on the old CRR, as reported in Q3 2009 have been closed. Risk owners have reviewed the risks and associated actions and agreed either that the risks can be closed or that the risks and mitigations should be included in either the new CRR or on to SRR. Risk 11 'Failure to manage the negative impacts of swine flu' has been closed due to a reassessment of the risk.

## Report Details

13. There are 11 risks on the CRR in Q4 2010.

## CRR Red Risks

14. Red Risks are those risks which have a net/residual or current risk status which is red under the new Risk Management Strategy which was adopted on 1<sup>st</sup> April 2010. There are 7 red risks on the CRR this quarter.

15. These risks have action plans developed for managing the associated risks. Many of these action plans are work in progress, hence an improvement in position is anticipated when the impact of the action plans are felt.

## Changes in CRR risk profiles

### CRR Changes to Gross or Net Risk Scores

16. There are no changes reported in risk profile this quarter.

### Risks Escalated from SRR to CRR

17. There are no risks which have been escalated from the SRR to the CRR this quarter.

### New CRR Risks

18. All risks identified on the CRR are new risks.

Risk ID	Opportunity /Threat	Risk Title	Current Risk Score		Net/Residual Risk Score	
			I	P	I	P
CRR-001	T	Delivery of Successful elections	4	2	3	1
CRR-002	T	Declining Role of district councils	5	3	4	2
CRR-003	T	One organisation approach	4	4	3	2
CRR-004	T	Delivery of key projects	4	3	3	2
CRR-005	T	Financial Reporting	5	3	5	2
CRR-006	T	Supplier Management	3	3	2	3
CRR-007	T	Health and Safety	3	3	2	2
CRR-008	T	Innovation	4	4	3	2
CRR-009	T	Macro impact of recession	3	3	3	3
CRR-010	O	Carbon Management/Climate Change	4	4	3	3
CRR-011	T	Community Cohesion Erodes	4	4	2	2

Key

Closed Risks  
Red Risks



**Removed Risks**

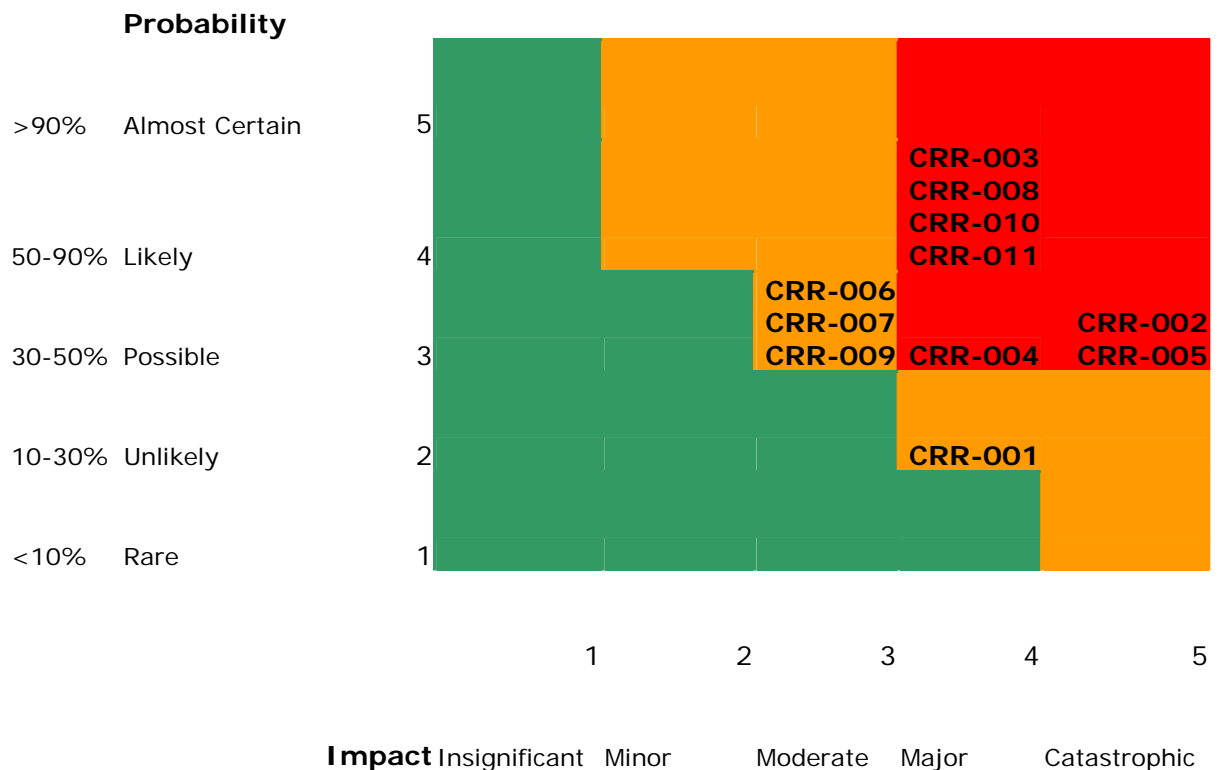
19. One risk has been closed this quarter on the new CRR, this is 'CRR-001 – Delivery of Successful Elections'. All actions have been successfully completed and the risk has been closed.

**Current Risk Profile**

**Current CRR Risk Profile**

20. The CRR risk profile for prior quarters is not shown in this report due to the change in risk scoring and adoption of the new CRR. A quarter on quarter comparison will be shown again in quarter 1 2010 reporting.

21. There are a high number of Red Risks reported this quarter. This is due to the fact that the risks are new and the risk mitigation strategies and action plans are only just being put in place. The result is that there is little impact on the Gross Risks captured at risk identification. An improvement in position is expected in Q1 when the impact of action plans is felt.



**KEY: CRR Risk Titles and Descriptions**

Risk ID	Opportunity /Threat	Risk Title	Risk Description
CRR-001	T	Delivery of Successful elections	Elections are not delivered to the required standards. There is an opportunity to enhance the Council's reputation with a smooth running 2010 election
CRR-002	T	Declining Role of district councils	There is a declining role for district councils and an increased importance being placed on

Risk ID	Opportunity /Threat	Risk Title	Risk Description
			first tier councils (particularly in economic development and planning)
CRR-003	T	One organisation approach	Ability to implement a one organisational approach quickly and effectively. Lack of an embedded corporate culture can lead to duplication of resources in departments, a lack of corporate involvement in projects and a lack of collaborative approach on issues where it would add value.
CRR-004	T	Delivery of key projects	People and the council are not developed sufficiently to make risk based decisions, carry out options appraisals. Decision making can be poor. Innovation is not encouraged, low risk appetite.
CRR-005	T	Financial Reporting	Accounts qualified for 3rd year.
CRR-006	T	Supplier Management	Ability of the council to manage large contracts and to obtain best value from those contracts
CRR-007	T	Health and Safety	Existence of operational risks (relating to internal as well as public concerns - property not vehicle).
CRR-008	T	Innovation	Ideas are not challenged, innovation is not used to drive change
CRR-009	T	Macro impact of recession	Increasing cost and financial pressures on the council combined with increasing pressure to deliver. Hardening attitude of public/press (unsympathetic climate). Opportunity to take tough decisions to stop doing non essential programmes of work
CRR-010	O	Carbon Management/Climate Change	Opportunity to develop Low Carbon City status and to share best practices outside organisation
CRR-011	T	Community Cohesion Erodes	Macro pressures create tension in communities. Changes in central government may heighten the impact. Opportunity to pre-empt issues and exploit situation to develop further cohesion.

## Service Risk Register (SRR)

### Red Risks

22. . There are 9 risks classified as 'red risks' on the SRR. The classification is based on the Risk Management Strategy adopted in April 2010. These are:

Ref	Risk Title	Gross Risk		Residual Risk		Current Risk	
		Impact	Prob	Impact	Prob	Impact	Prob
SRR-001-CHCD	Increased homelessness. 100 additional acceptances could lead to an increased spending of £140k on temporary accommodation	4	4 ↑	4	3 ↑	3	3
SRR-004-CHCD	Substantial fall in funding level for homelessness projects	5 ↑	3	4	3	4	3 ↓
SRR-003-BT	Longer term funding and savings may fail to be secured	5	4	4	3	4 ↑	3
SRR-008-OCH	Major changes to the Major Repairs Allowance and/or subsidy calculation	4	4	4	4	4	4
SRR-011-OCH	Economic recession	4	3	4	3	3	2
SRR-012-OCH	Revenue income from dwelling rents, garages, services charges and shop rents has been sustained during 08/09 to date, but will come under further pressure next year as the economic situation worsens.	4	3	4	3	3	2
SRR-004-CRP	BCP are ineffective	4	4	3	1	3 ↓	3 ↓
SRR-005-CRP	OCC plans do not take a holistic approach to building resilience reducing the effectiveness of plans. ICT requirements not met in the event of a continuity issue	4	4	3	1	4	4
SRR-006-CRP	Emergency Planning responses are ineffective	4	4	3	2	4	4

Deterioration in position is shown with an



Improvement in position is shown with an



## **Recommendations**

23. City Executive Board is asked to **note** the contents of this report.

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**Background papers: None**

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