



Please ask for Brian Offiler  
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The Chair and Members of Standards  
and Audit Committee

5 July 2016

Dear Councillor,

Please attend a meeting of the STANDARDS AND AUDIT COMMITTEE to be held on TUESDAY, 12 JULY 2016 at 2.00 pm in Committee Room 2, Town Hall, Rose Hill, Chesterfield, the agenda for which is set out below.

AGENDA

Part 1(Public Information)

1. Declarations of Members' and Officers' Interests relating to Items on the Agenda
2. Apologies for Absence
3. Risk Management Strategy & Annual Review (Pages 3 - 50)

Yours sincerely,

A handwritten signature in black ink, appearing to be "Brian Offiler".

Local Government and Regulatory Law Manager and Monitoring Officer

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## FOR PUBLICATION

### RISK MANAGEMENT STRATEGY & ANNUAL REVIEW

- MEETING:           1. COUNCIL
2. STANDARDS & AUDIT COMMITTEE
- DATE:               1. 27<sup>TH</sup> JULY 2016
2. 12<sup>TH</sup> JULY 2016
- CABINET  
PORTFOLIO:        CABINET MEMBER FOR GOVERNANCE
- REPORT BY:        CHIEF FINANCE OFFICER
- 

FOR PUBLICATION

BACKGROUND PAPERS FOR PUBLIC REPORTS:   None

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#### **1.0 PURPOSE OF REPORT**

- 1.1 To provide a report on the Risk Management developments during 2015/16 and to update the Risk Management Policy, Strategy and Corporate Risk Register for 2016/17.

#### **2.0 RECOMMENDATIONS**

- 2.1 To note the progress made on developing the Council's approach to risk management during 2015/16.
- 2.2 To recommend to the Full Council the approval of the Risk Management Policy, Strategy and Corporate Risk Register for 2016/17.

### **3.0 BACKGROUND**

- 3.1 The Risk Management Strategy requires an annual review to be reported to the Council at the end of the financial year and the Corporate Risk Register at the start of the year.
- 3.2 The Standards and Audit Committee is required to consider the effectiveness of the Council's risk management arrangements.

### **4.0 ANNUAL REVIEW 2015/16**

- 4.1 The main focus of risk management activities during 2015/16 has been on implementing changes to the Council's risk management arrangements as recommended by an external risk management adviser in the previous year. The changes included:
- Revised Terms of Reference and membership of the Corporate Risk Management Group (RMG).
  - An updated Risk Management Strategy.
  - The development of six service risk registers to feed into a revised Corporate Risk Register.
  - A risk reporting dashboard (**Appendix A**).
- 4.2 The key developments on the risks included in the Corporate Risks Register (**Appendix B**) at the start of the financial year and new risks added during the year are summarised in the 'dashboard' report below:

Risk	Risk Rating (maximum score = 25) Direction of travel (DOT)			Comments
	Start of year	Latest (DOT)	Latest Target	
<b>At start of year:</b>				
CR1 – Budget Risk	20 Red	15 Red ↑	12 Amber	The outturn for 2015/16 produced a surplus of £448k. The budget for 2016/17 assumes savings of £1.3m will be delivered in order to produce a balanced budget. The financial pressures continue to increase in future years creating increasing deficits/savings targets. The current budget risk rating has, therefore, been maintained as a high scoring 'red' risk. This is due mainly to external factors such as the planned reduction in Government funding, including changes to the New Homes Bonus grant system, and the continuing threats to business rate income due to back-dated appeals, new claims for Charitable Relief and the revaluation due in 2017. Delivering budget savings to keep pace with the funding reductions will become increasingly difficult.
CR2 - Transformation	15 Red	12 Amber ↑	8 Amber	GPGS approved, revised governance in place including ensuring benefits are identified and shared with finance to have removed from budget at source – Needs embedding to ensure effectiveness. BT / GPGS focusing on cash releasing & income generating projects with specific focus on GPGS Programme. SLT/ CMT & Cabinet have been reviewing potential projects at away days. PMO is being developed to help allow single view of all work and aid the prioritisation of work and resources. TOM being developed. Developing a communications plan for GPGS and working

Risk	Risk Rating (maximum score = 25) Direction of travel (DOT)			Comments
	Start of year	Latest (DOT)	Latest Target	
				with Workforce Strategy Group to encourage staff engagement with change.
CR3 - Workforce	9 Amber	9 Amber ↑	6 Amber	
CR4 - ICT	20 Red	9 Amber ↔	9 Amber	Awaiting feedback from PSN submission so ratings left unaltered.
CR5 – Emergency Planning	9 Amber	8 Amber ↑	8 Amber	Emergency plans have been produced and maintained taking account of new and emerging risks. Work is on-going to analyse common consequences to assess the current capability against the capability requirement. All Emergency and Business Continuity Plans are now available to view on the secure browser ResilienceDirect. Exercises have taken place to validate plans.
CR6 – Health & Safety	12 Amber	9 Amber ↑	6 Amber	Policies and procedures are in place and are regularly reviewed. Developments in progress around asbestos management. H&S Audits in services will commence in July 2016.
CR7 – Welfare Reform				Changes introduced in Apr 2013 now embedded and working satisfactorily. This risk has, therefore, been removed from the Corporate Risk Register.
CR8a–PSN compliance	8 Amber	8 Amber ↔	8 Amber	Awaiting feedback from PSN submission so ratings left unaltered.
CR8b – data security	16 Red	16 Red ↔	12 Amber	Significant improvement anticipated in 16/17 once the Info Assurance Manager and Info Rights Officer are in post.
CR9 – Procurement/ Contract Management	12 Amber	12 Amber	8 Amber	New procurement contract signed with the NHS (tbc).

Risk	Risk Rating (maximum score = 25) Direction of travel (DOT)			Comments
	Start of year	Latest (DOT)	Latest Target	
		↑		<p>Training delivered during Feb / March 2016. Regular Procurement Clinics have been scheduled.</p> <p>Contractor management training (specific in-house) has been delivered to key officers and remains on offer to any other staff who require it going forward.</p>
CR10 – Elections – local & national				<p>Elections in May 15 resulted in: No change of control locally; &amp; Conservatives nationally. This risk has now been removed from the register.</p>
CR11 – Key Partnerships	12 Amber	12 Amber ↔	9 Amber	
<b>Added in Year:</b>				
CR12 – provision of Social Housing	n/a	15 Red ↑	12 Amber	<p>Added November 2015. Pressure on the HRA Business Plan due to Government's rent reduction and other policies.</p>
CR13 - Safeguarding	n/a	12 Amber ↑	8 Amber	<p>Extensive progress has been made on the action plan to reduce the risk likelihood including:</p> <ul style="list-style-type: none"> <li>• Updated policy and procedures</li> <li>• Defined roles and responsibilities for lead officers</li> <li>• Central safeguarding group established</li> <li>• Terms and conditions of hire review</li> <li>• Hate and intolerance framework established</li> </ul> <p>Further progress is required on the training programme during the next six months and we will be completing an audit in early 2017. By this point we expect to have met the risk target level.</p>
CR14 – Combined	n/a	20	6	Added November 2015.

Risk	Risk Rating (maximum score = 25) Direction of travel (DOT)			Comments
	Start of year	Latest (DOT)	Latest Target	
Authorities		Red ↔	Amber	Good progress in 15/16 but now subject to public consultation, Secretary of State sign-off and political changes at the national level.
CR15 – Non-Housing Property Repairs Programme	n/a	12 Amber ↑	4 Green	Following a critical Internal Audit report this issue has been added to the CRR and is also included as a key issue within the Annual Governance Statement. The issue relates to not having an up-to-date planned maintenance programme in place to ensure that properties remain fit for purpose and to enable adequate sums to be set aside each year into the Property Repairs Fund.
CR16 – Leaving the European Union	n/a	12 Amber ↔	9 Amber	Added July 2016. Uncertainty over impact on economy and regulatory frameworks. Issues/challenges should become clearer by end of 2016.

2.3 Sitting below the Corporate Risk Register there are six service level risk registers (SRR). The SRR's contain risks that are linked to the corporate risks but which are managed at the service level and other, operational level, risks. The SRR were reviewed at least once by the Corporate Risk Management Group during the year twice a year to (a) ensure a consistency of approach and (b) check that links with the Corporate Risk Register were being maintained. The SRR's will be revised during 2016 to align with the new Corporate Management structure. Service Management Teams will then be required to monitor them on a regular basis.

## 5.0 RISK MANAGEMENT POLICY AND STRATEGY

5.1 The Policy and Strategy documents are designed to clarify the corporate and operational elements and to further embed Risk Management within the organisation. The documents for 2016/17 are included in **Appendix C**. Appendix A and D within the Strategy document will have to be updated once the new Corporate Management structure is in place.



## 6.0 CORPORATE RISK REGISTER (CRR)

- 6.1 The management of corporate risks is an essential component of good governance and helps to ensure the delivery of services. It is therefore important that the CRR is reviewed regularly to take account of any changes in risk levels and to identify any new risks.
- 6.2 The format and content of the CRR was developed for 2015/16 through a consultation process involving officers and members and led by a Risk Management Adviser from the Council's insurance provider. Many of the corporate risks will be a permanent feature within the CRR whilst others, which relate to one-off type projects, will appear only for a limited period. The CRR for 2016/17 is shown in **Appendix B**, the key changes from 2015/16 Register are described in paragraph 4.2 above, they include:

### Deletions:

- CR7 - Implementing Welfare Reform Changes such as the Spare Room Subsidy and the Localised Council Tax Support scheme.
- CR10 - Political - National and Local Elections.

### Additions:

- CR13 - Safeguarding
- CR14 - Combined Authorities
- CR15 - Non-Housing Property Repairs
- CR16 – Leaving European Union

### Amendments:

- CR8 – Information Governance has been split into two elements, CR8a PSN compliance and CR8b Data Governance.

- 6.3 The challenge for 2016/17 will be to implement the further actions highlighted or any other actions subsequently developed to bring the risk ratings to the 'target' level which reflects the Council's risk appetite i.e. the level of risk it is prepared to accept.

## 7.0 RISKS AND UNCERTAINTIES

7.1 The failure to have effective risk management arrangements in place which will identify and manage risk could have serious consequences for the Council.

Description of Risk	Likelihood	Impact	Mitigating Actions	Residual Likelihood	Residual Impact
Risk management arrangements are not sufficiently robust.	Possible	Very High	Implementing the Risk Management Strategy.  Monitor and redefine if necessary the "further actions required".	Possible	Medium

7.2 An evaluation of each of the Corporate Risks is included in **Appendix C**.

## 8.0 FINANCIAL IMPLICATIONS

8.1 The Council transfers £5,000 per annum into a Risk Management Reserve which is managed by the Corporate Risk Management Group. The movements on the reserve during 2015/16 were as follows:

Description	£
Balance b/fwd April 2015	5,000
Add contribution for the year	5,000
<u>Less expenditure/commitments:</u>	
Balance in excess of £5k to Budget Risk Reserve.	(5,000)
Estimated balance c/fwd at 31 <sup>st</sup> March 2016	5,000

8.2 The Council's insurance contract with Zurich included an allowance of £5k in 2015/16 and £5k for 2016/17 which must be used for risk management services provided by the company. The allowance was used in 2015/16, and will be used again in 2016/17, to help develop the corporate risk management arrangements.

8.3 The Council also maintains a number of earmarked reserves and provisions to cover the financial risks that it faces. The funds include the General Working Balance, the Budget Risk Reserve and the Insurance Reserve.

## 9.0 EQUALITIES CONSIDERATIONS

9.1 None arising from the contents of this report.

## 10.0 RECOMMENDATIONS

10.1 To note the progress made on developing the Council's approach to risk management during 2015/16.

10.2 To recommend to the Full Council the approval of the Risk Management Policy, Strategy and Corporate Risk Register for 2016/17.

## 11.0 REASON FOR RECOMMENDATION

11.1 To ensure that effective risk management monitoring and reporting arrangements are in place.

**B DAWSON  
CHIEF FINANCE OFFICER**

<b>Glossary of Terms</b> <i>(delete table if not relevant)</i>	
<i>CRR</i>	<i>Corporate Risk Register –the high level risks that affect the Council's ability to deliver its strategic priorities</i>

### **Decision information**

<b>Key decision number</b>	577
<b>Wards affected</b>	All
<b>Links to Council Plan priorities</b>	All

## **Document information**

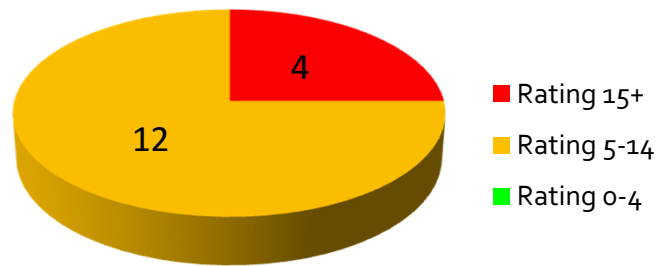
<b>Report author</b>	<b>Contact number/email</b>
<b>Barry Dawson</b>	<b>Ext 5451</b> <a href="mailto:Barry.dawson@chesterfield.gov.uk">Barry.dawson@chesterfield.gov.uk</a>
<b>Background documents</b>	
None	
<i>This must be made available to the public for up to 4 years.</i>	
<b>Appendices to the report</b>	
Appendix A	Risk Dashboard
Appendix B	Risk Management Strategy
Appendix C	Corporate Risk Register

# Chesterfield Borough Council

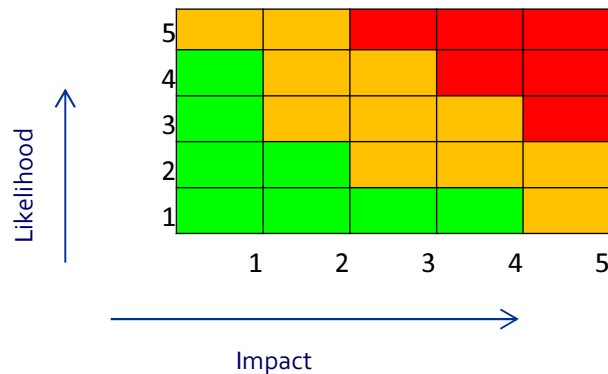


## Corporate Risk Dashboard – June 2016

No of corporate risks in red, amber, green



Risk Matrix



No	Corporate Risk Description	Target	Score	DOT in yr
1	Finance & Budgets	12	15	↑
2	Transformation Programme / GPGS	8	12	↑
3	Workforce Capacity & Capability	6	9	↑
4	Investment & Development of the ICT infrastructure	9	9	↔
5	Emergency Planning & Business Continuity	8	8	↑
6	Protecting the Public & Staff (Health and Safety)	6	9	↑
8a	Information Governance	8	8	↔
8b	Data Security	12	16	↔
9	Procurement Contract Management	8	12	↑
11	Key Partnerships	9	12	↔
12	Provision of social housing / HRA business plan	12	15	
13	Safeguarding children and vulnerable adults	8	12	
14	Combined Authorities	6	20	
15	Non-housing property maintenance	4	12	
16	Leaving European Union	9	12	

No	Service Area	Service Risk	Target	Score	DOT
1	Housing	Ageing stock		16	↔
2	Regen	Premises mgt & maintenance		12	↔
3	Regen	Out-of-hours ICT support		12	↔
4	Finance	Exempt VAT recovery		12	↑

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**Chesterfield Borough Council Corporate Risk Register (July 2016)**

Total Risk Score: Likelihood x Impact. Rating Key:

0-4 Green	5-14 Amber	15+ Red
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CAUSE	EFFECT	PRE-MITIGATION RATING LIKELIHOOD / IMPACT	ACTIONS UNDERTAKEN TO MITIGATE THE RISK	LATEST RISK RATING & DOT (↑ = positive)	FURTHER ACTION REQUIRED/DATE	TARGET RISK RATING	TARGET DATE	RISK LEAD / LINK TO CORP PLAN
<b>CR1 - Having a Sustainable Financial Plan – the ability to deliver priority services with the resources available</b>								
<p>Changes in: RSG, Business Rates retention &amp; growth, Council Tax limitation &amp; collection rates, New Homes Bonus, etc. Cost pressures e.g. pensions, pay, inflation, interest rates, etc. Other unforeseen events Contracts – re-tender of the Waste Contract in 2018</p>	<p>Re-assessment of the range &amp; scope of services currently provided &amp; the Corporate Plan priorities Short-term use of reserves Worst case – financial failure Critical external inspection/audit reports Damage to reputation Public expectations/reaction Loss of Member confidence Loss of staff morale</p>	<p><b>Short &amp; Med term</b>  <b>Likely / Very High</b>  <b>(4 x 5) =</b>  <b>Score 20</b>  <b>Red</b></p>	<p>5-year MTFP produced Prudent assumptions re income levels &amp; collection rates Budget monitoring &amp; reporting (to FPG, Scrutiny &amp; Cabinet) Great Place: Great Service Programme approved Asset Management Plan Budget Challenge sessions. Expenditure and vacancy control.</p>	<p><b>Short term</b>  <b>Possible / V. High</b>  <b>(3 x 5) =</b>  <b>Score 15</b>  <b>Red</b>  ↑  <b>Med Term</b>  <b>Possible / V. High</b>  <b>(3 x 5 =</b>  <b>Score 15</b>  <b>Red</b>  ↑</p>	<p>Horizon scanning to identify future pressures &amp; opportunities (on-going). Assess implications of Local Gov't Finance review – NHB, retained business rates. Rigorous budget monitoring to identify variances early &amp; implement corrective action (quarterly). Regularly update the assumptions in the 5-year MTFP &amp; model the options (quarterly) Delivering the savings targets included in the budget.</p>	<p><b>Short term</b>  <b>Unlikely / Medium</b>  <b>(2 x 3) =</b>  <b>Score 6</b>  <b>Amber</b></p> <p><b>Med Term</b>  <b>Possible / High</b>  <b>(3 x 4 = 12)</b>  <b>Score 12</b>  <b>Amber</b></p>	<p>Short/Med term – balanced budget in Feb each year.          Med /Long term – Self-sufficient by 2020</p>	<p>Chief Finance Officer  Supported by SLT    VFM</p>

**Chesterfield Borough Council Corporate Risk Register**

CAUSE	EFFECT	PRE-MITIGATION RATING LIKELIHOOD / IMPACT	ACTIONS UNDERTAKEN TO MITIGATE THE RISK	LATEST RISK RATING & DOT (↑ = positive)	FURTHER ACTION REQUIRED/DATE	TARGET RISK RATING	TARGET DATE	RISK LEAD / LINK TO CORP PLAN
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 16</p>	<p>Impact on Asset Management Plan</p> <p>Significant increase in the cost of the waste contract</p>				<p>CMT/Exec Members Budget Group to Identify &amp; implement further budget cuts required to eliminate forecast deficits (on-going)</p> <p>Development of trading opportunities to increase income.</p> <p>Assess the business rate devolution proposals at the national and the SCR CA level.</p>			



**Chesterfield Borough Council Corporate Risk Register**

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<b>CR2 – Transformation / Change Management – managing change effectively to deliver the required transformational changes and savings.</b>								
<p>Failure to develop &amp; implement the required projects due to capacity issues, skills gaps, resistance to change, poor project management etc.</p> <p>Competitor responses and other challenges to commercial activities.</p>	<p>Loss of expertise &amp; or experienced staff</p> <p>Scarce resources not used effectively</p> <p>Budget shortfalls</p> <p>Delivery timelines not adhered to</p> <p>Increase in financial costs</p> <p>Legal, financial and reputational implications if commercial activities not structured and managed.</p>	<p><b>Possible / Very High</b></p> <p><b>(3 x 5) =</b></p> <p><b>Score 15</b></p> <p><b>Red</b></p>	<p>Transformation Strategy produced.</p> <p>Project Academy.</p> <p>Increased focus on commercialism.</p> <p>Great Place: Great Service Programme</p> <p>Staff &amp; Union consultation</p> <p>Political leadership &amp; TU's meetings</p> <p>£150k budget approved in 2016/17 to finance additional resources required to implement the savings targets.</p>	<p><b>Possible / High</b></p> <p><b>(3 x 4) =</b></p> <p><b>Score 12</b></p> <p><b>Amber</b></p> <p style="text-align: center;">↑</p>	<p>Delivery of the current savings targets.</p> <p>CMT to prioritise resources onto cash releasing projects.</p> <p>Identify &amp; secure other savings required to bridge any forecast deficit.</p> <p>Post implementation reviews.</p> <p>Training of a wider group of staff in transformation techniques.</p> <p>Improving communications and engagement with staff.</p> <p>'Solid Foundations' work in GPGS.</p> <p>Develop the Target Operating Model (TOM)</p>	<p><b>Unlikely / High</b></p> <p><b>(2 x 4) =</b></p> <p><b>Score 8</b></p> <p><b>Amber</b></p>	<p>31 Mar 2017</p>	<p>Business Transformation Manager</p> <p>Supported by SLT</p> <p>VFM</p>

**Chesterfield Borough Council Corporate Risk Register**

CAUSE	EFFECT	PRE-MITIGATION RATING LIKELIHOOD / IMPACT	ACTIONS UNDERTAKEN TO MITIGATE THE RISK	LATEST RISK RATING & DOT (↑ = positive)	FURTHER ACTION REQUIRED/DATE	TARGET RISK RATING	TARGET DATE	RISK LEAD / LINK TO CORP PLAN
<b>CR3 - Workforce – to ensure that we have right skills and capacity to deliver the Council’s priorities.</b>								
Loss of key people within the organisation e.g. loss of corporate memory & key skills Lack of training – due to for example budget pressures No effective succession planning Difficulties in recruitment & retention of key skills/staff Lack of mid to long term planning	Inability to deliver services to the desired standard or projects effectively Performance suffers due to low morale & job fears Increased sickness (stress related) Impact on staff health & well being Financial e.g. severance costs arrangements	<p><b>Likely / Medium</b></p> <p><b>(4 x 3) =</b></p> <p><b>Score 12</b></p> <p><b>Amber</b></p>	Draft Workforce Strategy produced EPD process/ Competency frameworks Communications - Leader/CEO staff briefings, Borough Bulletin, etc. Internal Comms Strategy. SLT/CMT restructure	<p><b>Latest / Medium</b></p> <p><b>(3 x 3) =</b></p> <p><b>Score 9</b></p> <p><b>Amber</b></p> <p>↑</p>	Workforce Strategy to be approved (Apr 16) and implemented. Identify opportunities for staff development & succession planning (EPD process – June 15). Review of staffing (as per service plans). Voluntary redundancy/early retirement scheme (on-going). Implement CMT restructure (Q1 16/17).	<p><b>Possible / Low</b></p> <p><b>(3 x 2) =</b></p> <p><b>Score 6</b></p> <p><b>Amber</b></p>	Mar 2017	Service Managers

**Chesterfield Borough Council Corporate Risk Register**

CAUSE	EFFECT	PRE-MITIGATION RATING LIKELIHOOD / IMPACT	ACTIONS UNDERTAKEN TO MITIGATE THE RISK	LATEST RISK RATING & DOT (↑ = positive)	FURTHER ACTION REQUIRED/DATE	TARGET RISK RATING	TARGET DATE	RISK LEAD / LINK TO CORP PLAN
<b>CR4 – Investment &amp; development of the ICT infrastructure – to ensure that a modern, efficient and reliable infrastructure is in place to support service delivery.</b>								
<p>Lack of resources and expertise to develop the infrastructure and manage the technology life cycle.</p> <p>Ad hoc development and flawed project documentation.</p> <p>Reliance on Partner expertise and resources</p>	<p>Inefficient &amp; expensive services</p> <p>Poor service outcomes</p> <p>Additional Project delays</p>	<p><b>Possible / Medium</b></p> <p><b>(3 x 3) =</b></p> <p><b>Score 9</b></p> <p><b>Amber</b></p>	<p>ICT Strategy written &amp; governance structure in place.</p> <p>Invest-to-Save budgets approved.</p> <p>Strategies incorporated into GP:GS</p>	<p><b>Possible / Medium</b></p> <p><b>(3 x 3) =</b></p> <p><b>Score 9</b></p> <p><b>Amber</b></p> <p>↔</p>	<p>Resource and implement the ICT strategy once service areas provide information about their business needs.</p> <p>Enforce new governance.</p> <p>Centralise ICT budgets.</p> <p>Improve project documentation.</p> <p>Rationalise ICT assets.</p>	<p><b>Possible / Medium</b></p> <p><b>(3 x 3) =</b></p> <p><b>Score 9</b></p> <p><b>Amber</b></p>	<p>31 Mar 2017</p>	<p>PPP Client Officer supported by SLT</p> <p>VFM</p>

**Chesterfield Borough Council Corporate Risk Register**

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<b>CR5 – Emergency Planning &amp; Business Continuity – to ensure that we are able to respond effectively to unexpected events, minimising any damage caused and keeping services running.</b>								
Inadequate or untested plans in place to respond to extreme events (e.g. severe weather, flooding, flu pandemic)	Loss of or damage to life or property	<b>Possible / High</b>  <b>(3 x 4) =</b>  <b>Score 12</b>  <b>Amber</b>	Robust plans in place	<b>Unlikely / High</b>  <b>(2 x 4) =</b>  <b>Score 8</b>  <b>Amber</b>  ↑	Continue to update plans to take account of new & emerging matters	<b>Unlikely / High</b>  <b>(2 x 4) =</b>  <b>Score 8</b>  <b>Amber</b>	31 Mar 2017	Emergency Planning Officer (EP)
	Financial - loss of revenue/additional costs		Test exercises undertaken		Service area BCP's, including Business Impact Analysis, to be completed, regularly reviewed & additional measures implemented		31 Mar 2017	Service Managers (BCP's)
	Disruption to services		Commission advice from DCC					
	Damage to reputation		Snow Wardens Scheme					
			Improvements to ICT controls & back-up systems approved					

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**Chesterfield Borough Council Corporate Risk Register**

CAUSE	EFFECT	PRE-MITIGATION RATING LIKELIHOOD / IMPACT	ACTIONS UNDERTAKEN TO MITIGATE THE RISK	LATEST RISK RATING & DOT (↑ = positive)	FURTHER ACTION REQUIRED/DATE	TARGET RISK RATING	TARGET DATE	RISK LEAD / LINK TO CORP PLAN
<b>CR6 – Protecting the Public &amp; Staff (Health &amp; Safety) – to ensure that we have systems in place to reduce the risk of accidents occurring and their severity.</b>								
Failure to manage the health & safety risks of the Council's undertakings Lack of training Budget pressures Ageing infrastructure	Death or injury Damage to property or the environment Litigation or prosecutions Financial - claims Damage to reputation	<b>Likely / Medium</b> <b>(4 x 3) =</b> <b>Score 12</b> <b>Amber</b>	Corporate H&S Group established Preparation of Corporate H&S Policy 3 year H&S Improvement Programme agreed. Service level H&S Plans. Control of Contractors procedures & Group established. Transport Code of Practice approved & being implemented. Two external H&S audits. Internal audit methodology developed and agreed. Record training undertaken and monitor	<b>Possible / Medium</b> <b>(3 x 3) =</b> <b>Score 9</b> <b>Amber</b> ↑	Corporate H&S staff to undertake audits to ensure that: a) Policies & procedures are implemented & reviewed regularly & b) The actions in the Improvement Programme are implemented. Improved on-line training system.	<b>Unlikely / Medium</b> <b>(2 x 3) =</b> <b>Score 6</b> <b>Amber</b>	On-going	Business Transformation Manager

**Chesterfield Borough Council Corporate Risk Register**

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			refresh dates.					
<b>CR7 – Welfare Reform (removed from the Register in 2015/16)</b>								
<b>CR8a – Information Governance – PSN Compliance</b>								
Failure to gain PSN compliance and maintain a secure and up-to-date ICT infrastructure  Page 22	Service disruption - Data exchange with Government departments or other local authorities restricted  ICT network suffers attack or breach.  Reputational damage.  Financial loss	<b>Likely / High</b>  <b>(4 x 2) =</b>  <b>Score 8</b>  <b>Amber</b>	IT health check commissioned for Jan 2016.  Compliance achieved to July 2016.  Reviewed and updated IT security audit.	<b>Possible / High</b>  <b>(4 x 2) =</b>  <b>Score 8</b>  <b>Amber</b>  ↔	IT health check mitigation plan.  On-going review of IT health and action plan to remove known issues.	<b>Likely / Low</b>  <b>(4 x 2) =</b>  <b>Score 8</b>  <b>Amber</b>	July 2016  On-going	PPP Client Officer and Law Manager (SIRO)

**Chesterfield Borough Council Corporate Risk Register**

CAUSE	EFFECT	PRE-MITIGATION RATING LIKELIHOOD / IMPACT	ACTIONS UNDERTAKEN TO MITIGATE THE RISK	LATEST RISK RATING & DOT (↑ = positive)	FURTHER ACTION REQUIRED/DATE	TARGET RISK RATING	TARGET DATE	RISK LEAD / LINK TO CORP PLAN
<b>CR8b– Information Governance (Data Security) – to comply with the statutory and other requirements to ensure that the data we hold is held securely.</b>								
Data Breach Page 23	Reputation damage	<b>Likely / High</b>  <b>(4 x 4) =</b>  <b>Score 16</b>  <b>Red</b>	Raise awareness of data protection (email campaigns/e-learning)	<b>Possible / High</b>  <b>(4 x 4) =</b>  <b>Score 16</b>  <b>Red</b>  <b>↔</b>	Appoint an Information Assurance Officer.	<b>Unlikely / Medium</b>  <b>(3 x 4) =</b>  <b>Score 12</b>  <b>Amber</b>	11 <sup>th</sup> July 2016	CCC Manager / Information Assurance Manager
	Financial loss		Overall data protection strategy review		New Information Assurance Strategy		Sep 2016	
	Service disruption		Increased scrutiny of ICT security (including PSN compliance)		Implementation of formal governance for data protection and information security.		Dec 2016	
	Poor customer outcomes		PCI DSS compliance (ad hoc but achieved compliance for BCN consultancy as a pilot)		Assigning information asset owners throughout organisation  Audit of information assurance for partners (arvato/Kier)		Dec 2016 – subject to new system being procured	





**Chesterfield Borough Council Corporate Risk Register**

CAUSE	EFFECT	PRE-MITIGATION RATING LIKELIHOOD / IMPACT	ACTIONS UNDERTAKEN TO MITIGATE THE RISK	LATEST RISK RATING & DOT (↑ = positive)	FURTHER ACTION REQUIRED/DATE	TARGET RISK RATING	TARGET DATE	RISK LEAD / LINK TO CORP PLAN
<b>CR10 – Political Landscape – National and Local Elections in 2016 (removed from the Register in 2015/16)</b>								
<b>CR11 – Key Partnerships (e.g. PPP, Veolia) – to ensure that partnerships are used to support the delivery of the Council’s priorities and that they are delivered to the specified standard.</b>								
Partnerships not delivered as promised Breakdown in a key partnership relations	Reputation damage Loss of Trust Service disruption	<b>Possible / High</b>  <b>(3 x 4) =</b>  <b>Score 12</b>  <b>Amber</b>	Strategic Board in place for PPP Client function & supporting key PI’s Focus on HYR and ICT	<b>Possible / High</b>  <b>(3 x 4) =</b>  <b>Score 12</b>  <b>Amber</b>  ↔	Negotiations taking place with key partners around contract delivery.  Begin preparations for the Waste Collection re-tender in 2018.  SLT/CMT to develop relationships with key strategic partners	<b>Unlikely / Medium</b>  <b>(3 x 3) =</b>  <b>Score 9</b>  <b>Amber</b>	2016/17	CCC Manager  Commercial Services Manager  Value for Money

**Chesterfield Borough Council Corporate Risk Register**

CAUSE	EFFECT	PRE-MITIGATION RATING LIKELIHOOD / IMPACT	ACTIONS UNDERTAKEN TO MITIGATE THE RISK	LATEST RISK RATING & DOT (↑ = positive)	FURTHER ACTION REQUIRED/DATE	TARGET RISK RATING	TARGET DATE	RISK LEAD / LINK TO CORP PLAN
<b>CR12 – The Provision of Social Housing – ensuring that the Council is able to support the delivery of social housing and that there is a sustainable business plan for the Housing Revenue Account.</b>								
<p>Requirement to make an annual payment to Government reflecting the market value of high value housing likely to become vacant during that year and/or sell the most valuable council housing stock as it becomes vacant</p> <p>Government controls on housing rents contrary to those agreed in self-financing settlement.</p> <p>Requirement to charge a market or near market rent for households with an income of over £30,000</p> <p>Removal of Lifetime Tenancies for new tenants and replaced with a fixed term tenancy of between 2 to 5 years</p> <p>Introduction of a cap in the amount of rent that housing benefit will cover relevant to the LHA</p>	<p>Reduced resources within the HRA business plan due to the loss of rent income and/or increased rent arrears</p> <p>Loss of stock and inability to replace the stock which is sold due to reduced resources</p> <p>Increase in Right to Buy sales</p> <p>Risk of being required to repay retained Right to Buy 1-4-1 receipts to Government</p> <p>Increased administrative burden in implementing new policies</p>	<p><b>Definite / Very High</b></p> <p><b>(5 x 5) =</b></p> <p><b>Score 25</b></p> <p><b>Red</b></p>	<p>Using the Business Planning system to model the implications of possible scenarios.</p> <p>Reprofiling of work / policies and procedures to achieve tenancy sustainment, deliver new policies</p>	<p><b>Possible / Very High</b></p> <p><b>(3 x 5) =</b></p> <p><b>Score 15</b></p> <p><b>Red</b></p> <p>↑</p>	<p>Refresh the HRA Business Plan.</p> <p>Re-phasing of capital investment.</p> <p>Increased borrowing.</p> <p>Use of working balance</p> <p>Review the debt repayment policy.</p> <p>Commission a stock condition survey.</p> <p>Review of repairs and maintenance standards and lifecycles of building components / asset performance / procurement to achieve efficiencies / revised stock condition survey against these revised standards.</p>	<p><b>Possible / High</b></p> <p><b>(3 x 4) =</b></p> <p><b>Score 12</b></p> <p><b>Amber</b></p>		<p>Housing Mgt Team</p> <p>Quality of Life – Housing Supply &amp; Quality</p>

**Chesterfield Borough Council Corporate Risk Register**

CAUSE	EFFECT	PRE-MITIGATION RATING LIKELIHOOD / IMPACT	ACTIONS UNDERTAKEN TO MITIGATE THE RISK	LATEST RISK RATING & DOT (↑ = positive)	FURTHER ACTION REQUIRED/DATE	TARGET RISK RATING	TARGET DATE	RISK LEAD / LINK TO CORP PLAN
<b>CR13 – Safeguarding children and vulnerable adults – the ability to fulfil our moral and legal obligation to ensure a duty of care for children and vulnerable adults across our services and facilities</b>								
<p>Inadequate policies, procedures, learning and development and partnership working to safeguard children and vulnerable adults living in our communities, using our services and to protect the council, its staff (including agency staff), elected members and volunteers.</p>	<p>Negative impact on the well-being of children and vulnerable adults.                      Reputation damage                      Public expectations/ reaction                      Loss of Trust                      Loss of Member confidence                      Loss of staff morale                      Critical external inspection/ investigation</p>	<p><b>Likely / High</b>   <b>(4 x4) = Score 16</b>   <b>Red</b></p>	<p>Safeguarding lead roles identified                       Safeguarding group established to develop effective response, audit and share best practice.                       Strong dialogue and engagement with key partners on Derbyshire Safeguarding Board.</p>	<p><b>Possible / High</b>   <b>(3 x 4) = Score 12</b>   <b>Amber</b>                       ↑</p>	<p>Policy and procedures are being updated (Cabinet Dec 2015).                       Learning and development requirements are being established and progressed.                       Pilot activity planned with key partners.                       Annual audit activity.</p>	<p><b>Unlikely / High</b>   <b>(2 x 4) = Score 8</b>   <b>Amber</b></p>		<p>Exec Dir                       All</p>

**Chesterfield Borough Council Corporate Risk Register**

CAUSE	EFFECT	PRE-MITIGATION RATING LIKELIHOOD / IMPACT	ACTIONS UNDERTAKEN TO MITIGATE THE RISK	LATEST RISK RATING & DOT (↑ = positive)	FURTHER ACTION REQUIRED/DATE	TARGET RISK RATING	TARGET DATE	RISK LEAD / LINK TO CORP PLAN
<b>CR14 – Combined Authorities – to ensure that the Council is well placed to benefit from the opportunities created by the devolution agenda.</b>								
<p>Government legislation introducing conditions e.g. mayor and increasing level of engagement and devolution through CAs</p> <p>Actively contributing to two partnership environments (SCR, D2N2)</p> <p>Competing partner expectations</p> <p>Political uncertainty at the national level following the Brexit vote.</p>	<p>Unsustainable pressures on officers and members</p> <p>Excluded from some funding opportunities.</p> <p>Relationship difficulties with partners</p> <p>Delay in issuing the order to permit CBC's full membership of the SCR.</p>	<p>Likely / Very High</p> <p>(4 x 5) Score = 20</p> <p>Red</p>	<p>Working with Leaders and CEOs across the region to develop proposals.</p> <p>Monitoring what is happening nationally and in other LEP areas</p> <p>Regular officer coordination meetings</p> <p>Active engagement at partnership meetings to maximise opportunities for CBC.</p> <p>Council decision to join the SCR CA as a constituent member.</p>	<p>Possible / Very High</p> <p>(4 x 5) =</p> <p>Score 20</p> <p>Red</p> <p>↔</p>	<p>Develop the economic case for joining the SCR CA.</p> <p>Public consultation (July – Aug).</p> <p>Assessing the impact of and preparing for the possible transfer of functions (e.g. public transport from DCC to SCR).</p> <p>Active involvement the SCR working groups, etc.</p>	<p>Unlikely / Medium</p> <p>(2 x 3) Score = 6</p> <p>Amber</p>	<p>April 2017</p>	<p>CEO</p> <p>Thriving Borough</p>

**Chesterfield Borough Council Corporate Risk Register**

CAUSE	EFFECT	PRE-MITIGATION RATING LIKELIHOOD / IMPACT	ACTIONS UNDERTAKEN TO MITIGATE THE RISK	LATEST RISK RATING & DOT (↑ = positive)	FURTHER ACTION REQUIRED/DATE	TARGET RISK RATING	TARGET DATE	RISK LEAD / LINK TO CORP PLAN
<b>CR15 – Non-Housing Property Maintenance Programme &amp; Funding</b>								
A planned maintenance programme with the required funding is not in place.	Insufficient funding in place.  Service disruption if operational buildings taken out of use.	Likely / High  (4 x 4) Score = 16  Red	Internal Audit report identified actions required.  Condition surveys complete/underway	Possible / High  (3 x 4) Score = 12  Amber  ↑	Use the findings of the condition surveys to update the planned maintenance programme and revise the annual Property Fund contributions accordingly.	Unlikely / Low  2 x 2  4  Green	Sept 16	SLT Exec Dir.
<b>CR16 – Leaving the European Union</b>								
Results of Referendum mean that the UK will withdraw from the EU within 2 years of invoking Article 50.	Regulatory framework – possible legislative changes on waste/environment/procurement/workforce & employment  Communities – jobs/homes/health/ASB  Economy – business rates/treasury management/income	Likely / Medium  (4 x 3) Score = 12  Amber	Review Procurement Strategy  Review Treasury Management Strategy  Budget monitoring	Likely / Medium  (4 x 3) Score = 12  Amber  ↔	Continue to monitor	Possible / Medium  (3 x 3) Score = 9  Amber	March 18	CFO   All

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**Chesterfield Borough Council Corporate Risk Register**

**Risk Likelihood Key – Risk meets at least one of the criteria from the columns below**

<b>Score -1 Highly Unlikely</b>	<b>Score - 2 Unlikely</b>	<b>Score - 3 Possible</b>	<b>Score – 4 Likely</b>	<b>Score - 5 Definite</b>
Previous experience at this & other similar organisations makes this outcome highly unlikely to occur.	Previous experience discounts this risk as being unlikely to occur but other organisations have experienced problems.	The Council has in the past experienced problems in this area but not in the past three years.	The Council has experienced problems in this area in the last three years.	The council is currently experiencing problems in this area or expects to within the next 12 months.

**Risk Impact Key - Risk meets at least one of the criteria from the columns below**

<b>Risk Impact</b>	<b>Score -1 Negligible</b>	<b>Score - 2 Low</b>	<b>Score - 3 Medium</b>	<b>Score – 4 High</b>	<b>Score - 5 Very High</b>
<b>PRIORITIES</b>	No impact on the delivery of the Council’s corporate objectives	It may cost more or delay in delivery of one of the Council’s priorities	A number of Council priorities would be delayed or not delivered	The majority of Council priorities would be delayed or not delivered	Unable to deliver all Council priorities
<b>FINANCIAL</b>	Little or no financial impact (less than £5k)	The financial impact would be no greater than £25k	The financial impact would be no greater than £100k	The financial impact would be no greater than £500k	The financial impact would be greater than £500k
<b>SERVICE IMPACT</b>	Council services are no disrupted	Some temporary disruption of activities of one Council service	Regular disruption to the activities of one or more Council service	Severe service disruption or regular disruption affecting more than one service	Severe disruption to the activities of all Council services
<b>INFORMATION</b>	Minor, none consequential	Embarrassment, none last effecting	Isolated, personal details compromised	Severe personal details compromised	All personal details compromised
<b>PUBLIC ENGAGEMENT</b>	No loss of confidence and trust in the Council	Some loss of confidence and trust in the Council felt by a certain group or within a small geographical area	A general loss of confidence and trust in the Council within the local community	A major loss of confidence and trust in the Council within the local community	A disastrous loss of confidence and trust in the Council locally and nationally
<b>REPUTATION</b>	No media attention	Disciplinary action against employee	Adverse coverage in local press	Adverse coverage in National press/Front page news locally	Front page new story in National Press

# Chesterfield Borough Council

## Risk Management Strategy

Version:	January 2016
Ratified By:	Corporate Risk Management Group
Date Ratified	TBC
Name of Executive Lead	Director of Resources
Date Issued	July 2016
Review date:	December 2016

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<b>Appendix C</b>	<b>Glossary</b>	
<b>Appendix D</b>	<b>Corporate Risk Management Group Membership</b>	



## Risk Management Statement

It is the Council's policy to proactively identify, understand and manage the risks inherent in our services and associated within our plans and strategies, so as to encourage responsible, informed risk taking.

Risk management is all about understanding, assessing and managing the Council's threats and opportunities. The Council accepts the need to take proportionate risk to achieve its strategic objectives, but expects these to be appropriately identified, assessed and managed. Through managing risks and opportunities in a structured manner, the Council will be in a stronger position to ensure that we are able to deliver our objectives.

As a result, through risk management, the aims & objectives of Chesterfield's Risk Management Strategy are:

- ◆ Ensure that risk management becomes an integral part of corporate and service planning, decision making & project management.
- ◆ Enable the Council to deliver its priorities and services economically, efficiently & effectively.
- ◆ Protect the council's position when entering into new partnerships and/or evaluating existing partnerships.
- ◆ Align risk management and performance management to drive improvement and achieve better outcomes.
- ◆ Guard against impropriety, malpractice, waste and poor value for money.
- ◆ That risk management training forms part of the normal training / induction programmes that are given to officers and members on an on-going basis.
- ◆ Ensure compliance with legislation, such as that covering the environment, health and safety, employment practice, equalities and human rights.
- ◆ Minimise the prospects of any damage to the Council's reputation and/or undermining of public confidence in the organisation.
- ◆ To have a performance framework that continues to allow managers to proactively track performance, and assess / deal with risk in a timely fashion.

We recognise that it is not always possible, nor desirable, to eliminate risk entirely. However, visibility of these areas is essential, so that the Council can explore external options, such as insurance.

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# Risk Management Strategy

## 1. Introduction

The effective management of risk is an important principle for all businesses to properly address. For local authorities such as Chesterfield, managing risk is a key element of our Corporate Governance responsibilities.

Risk Management has become an important discipline across all sectors of the economy since the turn of the decade. The Audit Commission has previously highlighted Risk Management as one of the key elements to having effective governance arrangements in place to meet corporate objectives.

This risk management strategy seeks to promote the identification, assessment and response to key risks that may adversely impact upon the achievement of the Council's stated aims and objectives. It also seeks to maximise the rewards that can be gained through effectively managing risk.

Risk Management is not new; the Council has been doing it effectively for many years. However, to comply with the Corporate Governance requirements the Council must ensure that its procedures are sufficiently formalised and reviewed at regular intervals to identify areas for improvement.

This strategy has been updated to clarify the arrangements for managing risk and to further embed Risk Management within the thinking of all Council employees, Officers and Members.

### 1.1 Purpose and objectives of the Strategy

The purpose of this Risk Management Strategy is to establish a framework for the effective and systematic management of risk, which will ensure that risk management is embedded throughout the Council and makes a real contribution to the achievement of the Council's vision and objectives. As a result, the objectives of this strategy are to:

- Define what risk management is about and what drives risk management within the Council;
- Set out the benefits of risk management and the strategic approach to risk management;
- Outline how the strategy will be implemented;  
and
- Identify the relevant roles and responsibilities for risk management within the Council.

Effective risk management will require an iterative process of identification, analysis, and prioritisation, action, monitoring and reporting of material risk. The processes required to deliver these objectives will need to ensure:

- Clear identification of corporate aims and priorities, service objectives and key actions.
- Specification of roles and responsibilities in respect of risk management activities.
- Consideration of risk as an integral part of corporate and business processes.
- Requirements to analyse, prioritise, respond to, monitor and report on material and significant risks.
- Specification of guidance and support arrangements to assist officers in their consideration of risk.
- Facilitation of shared organisational intelligence and learning.

### **1.2 The Scope of Risk Management**

Risk is anything that may prevent the Council from achieving its stated objectives. Risk management is the process of identifying what can:

- a. Go wrong, and then doing something about it; and/or
- b. Be an opportunity, and then trying to take advantage of it.

Risks will be managed through a series of provisions applying at different levels. These include:

- Expression of the corporate risk tolerance in corporate aims and service plans through application of our risk scoring methodology.
- At operational level by budget allocation and monitoring through effective performance management arrangements.
- At project level through application of established risk assessment techniques in compliance with business continuity planning.
- Good corporate governance provisions as provided by the Standards & Audit Committee's Terms of Reference.
- Incorporated into the Council's Annual Governance Statement.
- Examination of corporate and insurable risks to identify risk reduction measures (Corporate Risk Management Group).
- Provide for risk assessment evidence in all decision making processes of the Council by inclusion in Committee reportage.

- Maintain documented procedures, toolkits and guidance for use across the Council by application of the risk register process and usage advice.
- Provide officers with suitable information and training to enable them to perform their duty (Corporate Risk Management Group).
- Make all partners, providers and delivery agents aware of the Council's expectations on risk, both generally as set out in the Risk Management Policy, and where necessary, in particular areas of service delivery

### 1.3 Risk Management Definitions

There are a number of ways in which organisations express risks and as a result, the risk management definitions can vary. Therefore, we have included a risk management glossary of the Council's risk management definitions.

A full glossary of definitions can be found in **Appendix B**.

### 1.4 What is risk management?

Risk can be defined as ***“Risk can be defined as a threat that an event or action will adversely affect the Council's ability to achieve its objectives, perform its duties or meet expectations of its stakeholders”***

***Risk Management*** - Risk is unavoidable, organisations' must manage risk in a way that can be justified to a level which is tolerable and as a result, risk is the chance that an event will occur that will impact upon the Organisation's objectives. It is measured in terms of impact and likelihood.

The holistic approach is vital to ensure that all elements of the organisation are challenged including decision making processes, working with partners, consultation, existing policies and procedures and also the effective use of assets – both staff and physical assets.

The risks facing the Council will change over time, some changing continually, so this is not a one off process. Instead the approach to risk management should be continual and the risks and the approach to managing them should be reviewed regularly.

It is important to note that **risks can also have an upside**; their impact can in some cases be positive as well as negative. Risk is also often said to be the flipside of opportunity so the whole risk management process can also help the Council identify positive opportunities that will take it forward. Risk management needs to be seen as a strategic tool and will become an essential part of effective and efficient management and planning.

## 1.5 Why do we want (and need) to do risk management?

Risk management will, by adding to the business planning and performance management processes, strengthen the ability of the Council to achieve its objectives and enhance the value of the services provided.

**We are required to do it** - Risk management is something that the Council is required to do, for example:

- The CIPFA/SOLACE framework on Strategic Governance requires the Council to make a public assurance statement annually, on amongst other areas, the Council's Risk Management Strategy, process and framework. The framework requires the Council to establish and maintain a systematic strategy, framework and processes for managing risk.

**Benefits of risk management** - Successful implementation of risk management will produce many benefits for the Council if it becomes a living tool.

- Achievement of the Council's objectives and vision;
- A consistent approach to the way risks are managed throughout the Council;
- Improved informed decision making – risks reported and considered within Council decision making;
- Becoming less risk averse in innovation (because you understand) and hence are more innovative;
- Improved business planning through a risk based decision making process;
- A focus on outcomes not processes;
- Improved performance (accountability and prioritisation) - feeds into performance management framework;
- Better governance - and demonstration of it to stakeholders; and
- Helping to protect the organisation.

## 1.6 Where does risk management fit?

In short the answer is **“everywhere”**. Effective risk management should be applied within all decision making processes at an *appropriate scale*. So the risk management approach should encompass all types of risks and the table below may aid in the identification of risks to the Council.

## RISK MANAGEMENT POLICY & STRATEGY

Sources of risk	Risk examples
<b>STRATEGIC</b>	
<b>Infrastructure</b>	Functioning of transport, communications and infrastructure. Impact of storms, floods, pollution.
<b>Legislative and Regulatory</b>	Effects of the change in Central Government policies, UK or EU legislation, local and National changes in manifestos. Exposure to regulators (auditors/inspectors).
<b>Social Factors</b>	Effects of changes in demographic profiles (age, race, social makeup etc.) affecting delivery of objectives. Crime statistics and trends. Numbers of children/vulnerable adults 'at risk'.
<b>Technological</b>	Capacity to deal with (ICT) changes and innovation, product reliability, developments, systems integration etc. Current or proposed technology partners.
<b>Competition and Markets</b>	Cost and quality affecting delivery of service or ability to deliver value for money. Competition for service users (leisure, car parks etc). Success or failure in securing funding.
<b>Stakeholder related factors</b>	Satisfaction of the Council's taxpayers, Central Government, GOEM and other stakeholders.
<b>Political</b>	Local or national political issues that may impact on the Council meeting its Objectives
<b>Economic</b>	Affecting the ability of the Council to achieve its commitments
<b>Social</b>	Relating to the Council's ability to meet the effects of changes in demographic, residential or social/economic trends
<b>Environmental</b>	Environmental impact from Council, stakeholder activities (e.g. pollution, energy efficiency, recycling, emissions, contaminated land etc). Traffic problems and congestion.
<b>OPERATIONAL (Internal influences)</b>	
<b>Finance</b>	Associated with accounting and reporting, internal financial delegation and control, e.g. schools finance, managing revenue and capital resources, neighbourhood renewal funding taxation and pensions.
<b>Human Resources</b>	Recruiting and retaining appropriate staff and applying and developing skills in accordance with corporate objectives, employment policies, health and safety.
<b>Contracts and Partnership</b>	Failure of contractors to deliver services or products to the agreed cost and specification. Procurement, contract and life cycle management, legacy. Partnership arrangements, roles and responsibilities.
<b>Tangible Assets</b>	Safety and maintenance of buildings and physical assets i.e. plant and equipment, ICT equipment and control
<b>Environmental</b>	Pollution, noise, licensing, energy efficiency of day-to-day activities.
<b>Processes</b>	Compliance, assurance, project management, performance management, revenue and benefits systems, parking systems etc.
<b>Legal</b>	Relating to potential breaches of legislation
<b>Physical</b>	Related to physical damage, security, accident prevention and health & Safety
<b>Professional Judgement and Activities</b>	Risks inherent in professional work, designing buildings, teaching vulnerable children, assessing needs (children and adults).

## RISK MANAGEMENT POLICY & STRATEGY

Sources of risk	Risk examples
<b>CORPORATE GOVERNANCE</b>	
<b>Integrity</b>	Fraud and corruption, accountability, transparency, legality of transactions and transactions and limit of authority.
<b>Leadership</b>	Reputation, authority, democratic changes, trust and branding.
<b>Policy and Strategy</b>	Clarity of policies, communication. Policy Planning and monitoring and managing performance.
<b>Data and information for decision making</b>	Data protection, data reliability and data processing. Control of data and information. E-government and service delivery.
<b>Risk Management</b>	Incident reporting and investigation, risk analysis or measurement, evaluation and monitoring. Taking advantage of opportunities.

There is therefore a consistent approach from the top to the bottom of the Council. So a mechanism will exist for risks to be escalated up (bottom up) within the Council whilst the top risks are also explicitly identified and managed (top down).

In practice this means that the Council will carry out risk assessments and develop the following risk registers:

In practice, risks within the Council exist at many different levels (e.g., high level corporate risks to lower level everyday service based risks). For the purpose of this strategy, risks are split into two levels as follows:

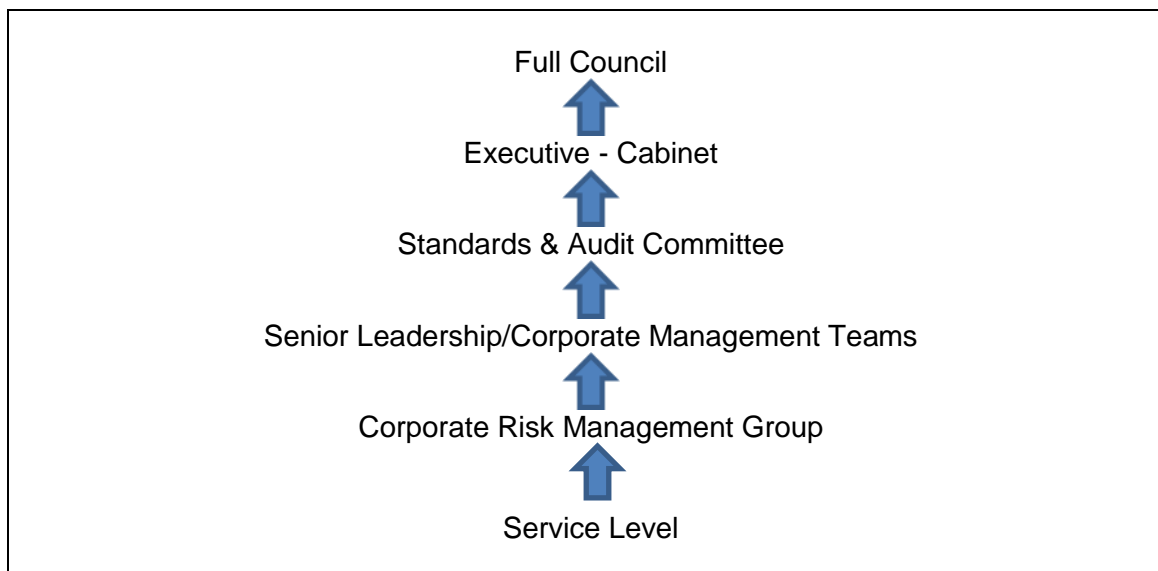
- **Corporate Risk Register** – the strategic, high level council risks related specifically to the achievement of the Councils objectives; and
- **Operational Risks** – service based risks that may prevent individual service aims and objectives being met (and therefore impact upon the attainment of corporate objectives).

Given the changing landscape of local government the importance of projects and partnerships are ever increasing, so a more specific and tailored risk management approach is required.

## 2. Risk Management Organisational Structure

### 2.1 Reporting structure

The reporting structure for risk management is summarised below:



The risk management process is a continuous one and risks can therefore be reported at any time. However risks will be formally reported as follows:

- The Full Council and Cabinet will receive a report on the Council's key risks twice a year.
- The Executive Members will receive quarterly risk management reports for information purposes.
- Standards & Audit Committee will review the effectiveness of the Risk Management arrangements and receive risk management reports twice a year.
- The Senior Leadership Team and Corporate Management Team will consider the Corporate Risk Management Group minutes and summary risk management reports on a quarterly basis.
- Overall responsibility for ensuring that the Council has the appropriate systems in place to manage business risk lies with the Council's Corporate Risk Management Group (CRMG). In effect, CRMG are the sponsors for Risk Management within the Authority. Responsibility for managing specific business risks at an operational level lies with Service Managers and their dedicated Officers. The Head of Finance/Director of Resources will 'champion/coordinate' the process on behalf of CRMG.
- Service Managers are required to carry out a comprehensive review of their risk registers as part of the annual service planning process. In addition the service risk registers need to be reviewed every 2 months (prior to the CRMG meetings). All Service risk registers need to be posted on the Council's intranet site. Risk also needs to be a standing regular item at service management and team meetings, and service risks need to be communicated to relevant staff.



### 3. Roles and Responsibilities

In cases of operational risk, risk management will follow existing service management arrangements. Corporate risks will be managed at Senior Officer Level. The Corporate Risk Management Group will be accountable to the Corporate Management Team and will be the “driving force” behind developing and implementing the Council’s Risk Management Strategy. Membership of the Group is shown at **Appendix C**. The Group will seek to enhance the linkage between Service Line Managers and the Corporate Management Team.

Risk needs to be addressed at the point at which decisions are being taken. Where Members and Officers are asked to make decisions, they should be advised of the risks associated with recommendations being made as necessary. The Council needs to be able to demonstrate that it took reasonable steps to consider the risks involved in a decision. Risks must be addressed within Committee reports, as part of the corporate check.

There needs to be a balance between the efficiency of the decision making process and the need to address risk. All key reports, including new and amended policies and strategies, need to include a section to demonstrate that risks have been addressed.

In order to ensure the successful implementation of the strategy, roles and responsibilities have been reviewed and are updated in the following table;

Group or individual	Roles & Responsibilities
<b>Full Council</b>	<ul style="list-style-type: none"> <li>▪ Formal approve and adoption of the Risk Management Strategy (annually or as required);</li> <li>▪ Approve the Corporate Risk Register (annually);</li> <li>▪ Receive monitoring reports (mid and end of year);and</li> <li>▪ Contribute to the identification of Corporate risks.</li> </ul>
<b>Cabinet</b>	<ul style="list-style-type: none"> <li>▪ To review the Strategy and monitoring reports before going to the Full Council.</li> </ul>
<b>Standards &amp; Audit Committee</b>	<ul style="list-style-type: none"> <li>▪ To review the effectiveness of the Risk Management arrangements; and</li> <li>▪ Receive reports including the annual statement of Internal Control/external audit reports/effectiveness of internal audit.</li> </ul>
<b>Senior/ Corporate Management Team</b>	<ul style="list-style-type: none"> <li>▪ Scrutinise significant risks in more detail as part of their annual work programme, as appropriate;</li> <li>▪ Take corporate responsibility for risk;</li> <li>▪ Address issues that cannot be addressed within service budgets or risk management fund of an extreme or high assessment;</li> <li>▪ Receive report of all extreme or high assessments;</li> <li>▪ Receive minutes of Corporate Risk Management Group.</li> <li>▪ Nominate an Officer Champion for Risk Management;</li> <li>▪ Champion and take overall responsibility for implementing the Risk Management Framework and embedding risk management throughout the Council;</li> </ul>

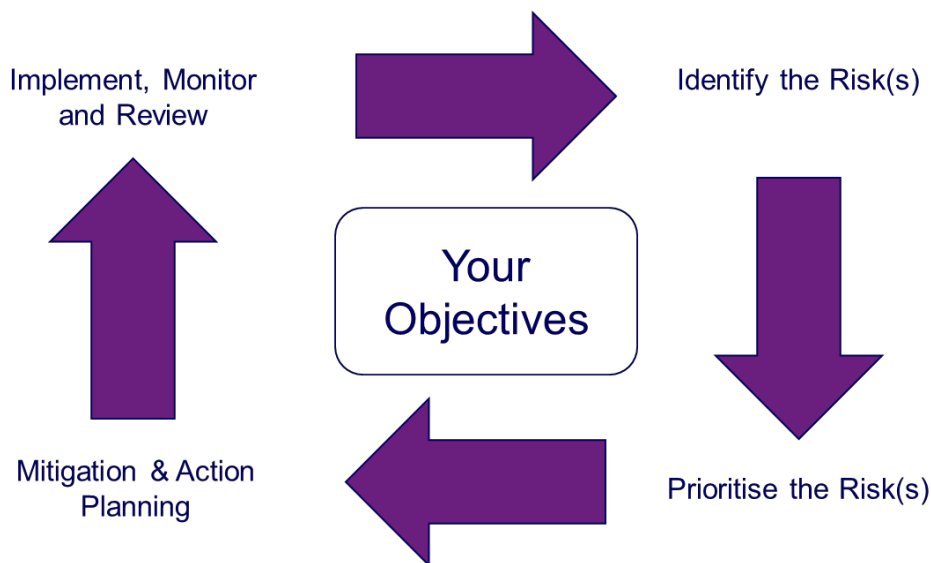
## RISK MANAGEMENT POLICY & STRATEGY

<b>Corporate Risk Management Group (CRMG)</b>	<ul style="list-style-type: none"> <li>▪ Meet (6 times a year) as per the CRMG timetable</li> <li>▪ Overall responsibility for ensuring that processes are in place to effectively manage risks within the Council;</li> <li>▪ Increase awareness of RM – cascade to service management teams and other team meetings;</li> <li>▪ Produce the Strategy and monitoring reports for members;</li> <li>▪ Identify and commission projects for Risk sub-groups;</li> <li>▪ Receive and consider reports from any Risk sub-groups;</li> <li>▪ Formulate monitor and update the Corporate risks register;</li> <li>▪ Review Service risk registers as per the CRMG timetable</li> <li>▪ Report to CMT at the defined frequency all highly scored risks;</li> <li>▪ Preparing and recommending changes to the risk management strategy;</li> <li>▪ Identifying and assessing risks;</li> <li>▪ Review Insurance claims analysis in order to identify ways of reducing or eliminating future claims;</li> <li>▪ Identify good practice and share learning;</li> <li>▪ Identify new and emerging risks for inclusion in the Corporate Risk Register or Operational Risk Registers;</li> <li>▪ Approve the use of the RM budget and Training days;</li> <li>▪ Arranging and providing risk management training as appropriate.</li> </ul>
<b>Service Managers</b>	<ul style="list-style-type: none"> <li>▪ Ensure that risk management is incorporated into service plans and project plans.</li> <li>▪ Review Service Risk Registers every 2 months.</li> <li>▪ Review risk treatment schedules as identified by the line managers and team leaders;</li> <li>▪ Review risk action plans and ensure they are implemented;</li> <li>▪ Contribute towards the identification and management of operational risks for their service;</li> <li>▪ Maintain awareness of and help promote the approved risk management strategy to all staff;</li> <li>▪ Ensure that risks which have been identified are addressed and mitigated and that any high risks are addressed urgently</li> <li>▪ Identify, analyse and profile operational risks through their individual monthly performance clinic. The role of the performance clinic is pivotal to challenging and understanding the risk view as well as gaining confidence that the risks will be managed.</li> <li>▪ To provide annual assurance on the effectiveness of controls in place to identify and mitigate risks within their service through the annual service planning process</li> <li>▪ To maintain awareness of and promote effective risk management techniques (incl. awareness of the strategy and policy) to all relevant staff; and</li> <li>▪ Ensure that risk issues are highlighted in reports to Members.</li> </ul>
<b>Line Managers &amp; Team Leaders</b>	<ul style="list-style-type: none"> <li>▪ Identify and analyse risks;</li> <li>▪ Undertake assessments at service level;</li> <li>▪ Evaluate risk/perform risk assessment</li> <li>▪ Prepare risk register entries;</li> <li>▪ Prepare the risk treatment schedule; and</li> <li>▪ Prepare risk action plan.</li> </ul>
<b>All Employees</b>	<p>All employees have a responsibility to:</p> <ul style="list-style-type: none"> <li>▪ Manage risk effectively in their job and report opportunities and risks to their service managers;</li> <li>▪ Participate in risk assessment and action planning where appropriate;</li> <li>▪ Adhere to Council policies and procedures; and</li> <li>▪ Attend training and development sessions as appropriate.</li> </ul>

<p><b>Project Leaders</b></p>	<ul style="list-style-type: none"> <li>Project leaders have a responsibility to ensure that the risks associated with their projects are identified, recorded and regularly reviewed as part of the project management process.</li> </ul>
<p><b>Internal Audit (Consortium Audit)</b></p>	<p>Internal Audit's role is to maintain independence and objectivity. Internal Audit is not responsible or accountable for risk management or for managing risks on management's behalf. Internal Audit will:</p> <ul style="list-style-type: none"> <li>Audit the risk management process;</li> <li>Assess the adequacy of the mechanisms for identifying, analysing and mitigating key risks;</li> <li>Provide assurance to officers and Members on the effectiveness of controls;</li> </ul> <p>And</p> <p>The Risk Register will drive the Internal Audit Plan to ensure resources are used on the areas of highest risk and where the need for assurance is greatest.</p>

## 4. Risk Management Process

The risk management process is the same for the management of both strategic and operational risks. The process comprises of the following four basic steps; these are indicated in the diagram below and should be driven by the Council's objectives.



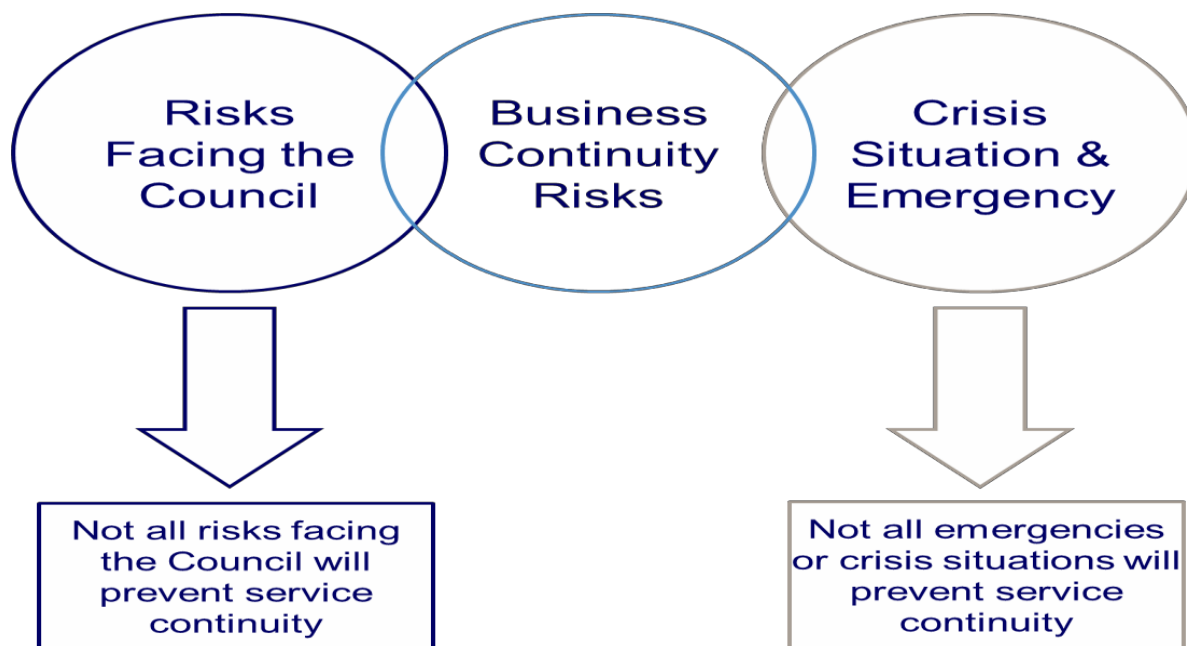
Having identified a risk there are four basic choices about how to deal with it – the 4T's:

- **Treat** the risk (i.e. do something about it)
- **Tolerate** the risk – (i.e. accept it as it is)
- **Transfer** the risk – (i.e. pass it to someone else, for example insurance)
- **Terminate** the risk – (i.e. cease the activity that gives rise to the risk)

## 5. Links to other Processes

### Risk management, emergency planning and business continuity

There is a link between these areas however it is vital for the success of risk management that the roles of each, and the linkages, are clearly understood. The diagram below sets out to demonstrate the differences.



**Risk management** is about trying to identify and manage those risks which are more than likely to occur and where the impact on the Council's objectives can be critical or even catastrophic.

**Business continuity management** is about trying to identify and put in place measures to protect the priority functions against catastrophic risks that can stop the organisation in its tracks. There are some areas of overlap e.g. where the I.T infrastructure is not robust then this will feature as part of the organisation risk assessment and also be factored into the business continuity plans.

**Emergency planning** is about managing those incidents that can impact on the community (in some cases they could also be a business continuity issue) e.g. a plane crash is an emergency, it becomes a continuity event if it crashes on the office.

## 6. Communication

The Risk Management Strategy can be found on the Council's intranet site so that all members of staff can have access and easily refer to it. The strategy will be reviewed each year and following any key changes e.g. Central Government policy, inspection regimes and following any internal reorganisation. The Strategy will be re-issued annually via the intranet site.

## 7. Training

Workshops will be facilitated by experienced Officers and/or specialists in Business Risk Management. After attending the workshops, Officers should be sufficiently confident to undertake the process of risk identification within their service areas.

Risk analysis, control and monitoring, will lead to the determining of targets for improvements for inclusion in service plans.

## 8. Monitoring of Risk

The Council will monitor risk in the following ways:

- Risk Assessments will be undertaken annually to reflect Service Plan Objectives and Key Actions.
- The Council risk register, both strategic and operational will be the prime record which contains risk assessments, mitigation controls and review frequency information in accordance with the Councils Risk Management Methodology.
- The Corporate Risk Management Group will comply with their Terms of Reference.
- Internal Audit will review the Council's risk management arrangements as part of its strategic audit plan.

## 9 Conclusion

This strategy will set the foundation for integrating risk management into the Council's culture. It will also formalise the process to be applied across the Council to ensure consistency and clarity in understanding the role and benefits of corporate risk management.

Every two months reporting and escalation of risks should interlock with the existing arrangements for performance reporting. The intention being that the management of risk is incorporated into business plans and monitored through the performance management framework.

The adoption of the strategy will formalise the risk management work undertaken to date and will move the Council towards meeting the requirements of recognised best practice and inspection.



## APPENDIX A -RISK MANAGEMENT FRAMEWORK

Corporate Risk Register (owner: Director of Resources)							
<b>Risk Register</b>	Resources	Customers Commissioning and Change	Housing	Economic Growth	Commercial Services	Health and Wellbeing	Policy and Communications
<b>Risk Register Owner</b>	Director of Resources  (TBA)	Customers Commissioning and Change Manager  (Rachel O'Neil)	Housing Manager  (Alison Craig)	Economic Growth Manager  (Neil Johnson)	Commercial Services Manager  (Michael Brymer)	Health and Wellbeing Manager  (Martin Key)	Policy and Communications Manager  (Donna Reddish)
<b>Exec Member</b>	Deputy Leader & Cabinet Member for Planning	Cabinet Member for Business Transformation	Cabinet Member for Housing	Leader & Cabinet Member for Regeneration / Cabinet Member for Town Centre & Visitor Economy	Leader & Cabinet Member for Regeneration / Cabinet Member for Housing	Cabinet Member for Health and Wellbeing	Cabinet Member for Governance
<b>Service areas: Including related Business Continuity and Health &amp; Safety issues.</b>	Accountancy	Property and Procurement	Council Housing. HRA Business Planning & Strategy.	Development & Growth.	Landscape & Street-scene	Landscape & Street-scene	Policy
	Internal Audi	Business Transformation		Cultural & Visitor Services.	Operational Services	Environmental Health	Communications & Marketing
	Insurance	Support Services			Customer Services.	Sports & Leisure	
	Regulatory & Local Government Law	PPP Client					
	Democratic & Electoral Services.	GP:GS					
		Customer Services					

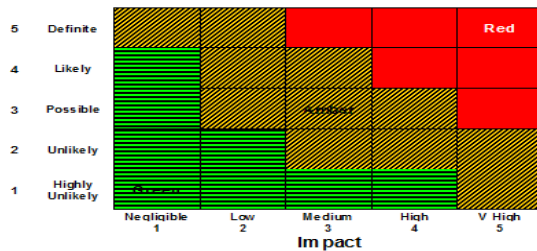


## APPENDIX B – RISK MATRIX AND REGISTER

A Risk Matrix is used to assess risks in terms of their likelihood of occurring and the impact they could have. The scores for each factor (likelihood and impact) are plotted on a matrix (see below) to identify those that require management action i.e. focus on the 'red' area. The objective is to devise mitigating actions that will reduce the risk and ideally move the assessment into a safer area of the matrix (green or amber).

**Total Risk Score = Likelihood x Impact. Rating: 0-4 Green, 5-14 Amber, 15+ Red**

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Score -1 Highly Unlikely	Score -2 Unlikely	Score -3 Possible	Score -4 Likely	Score -5 Definite
Previous experience at this and other similar organisations makes this outcome highly unlikely to occur.	Previous experience discounts this risk as being unlikely to occur but other organisations have experienced problems.	The Council has in the past experienced problems in this area but not in the past three years.	The Council has experienced problems in this area in the last three years.	The council is currently experiencing problems in this area or expects to within the next 12 months.

Risk Impact	Score -1 Negligible	Score -2 Low	Score -3 Medium	Score -4 High	Score -5 Very High
<b>PRIORITIES</b>	No impact on the delivery of the Council's corporate objectives	It may cost more or delay in delivery of one of the Council's priorities	A number of Council priorities would be delayed or not delivered	The majority of Council priorities would be delayed or not delivered	Unable to deliver all Council priorities
<b>FINANCIAL</b>	Little or no financial impact (less than £5k)	The financial impact would be no greater than £25k	The financial impact would be no greater than £100k	The financial impact would be no greater than £500k	The financial impact would be greater than £500k
<b>SERVICE IMPACT</b>	Council services are not disrupted	Some temporary disruption of activities of one Council service	Regular disruption to the activities of one or more Council services	Severe service disruption or regular disruption affecting more than one service	Severe disruption to the activities of all Council services
<b>INFORMATION</b>	Minor, none consequential	Embarrassment, none lasting	Isolated, personal details compromised	Severe personal details compromised	All personal details compromised
<b>PUBLIC ENGAGEMENT</b>	No loss of confidence and trust in the Council	Some loss of confidence and trust in the Council felt by a certain group or within a small geographical area	A general loss of confidence and trust in the Council within the local community	A major loss of confidence and trust in the Council within the local community	A disastrous loss of confidence and trust in the Council locally and nationally
<b>REPUTATION</b>	No media attention	Disciplinary action against employee	Adverse coverage in local press	Adverse coverage in National press/Front page news locally	Front page news story in National Press

## APPENDIX C: GLOSSARY

<b>Risk</b>	Risk can be defined as a threat that an event or action will adversely affect the Council's ability to achieve its objectives, perform its duties or meet expectations of its stakeholders.
<b>Hazard</b>	Anything that has the potential to cause harm.
<b>Risk Management</b>	Risk is unavoidable, organisations' must manage risk in a way that can be justified to a level which is tolerable and as a result, risk is the chance that an event will occur that will impact upon the Organisation's objectives. It is measured in terms of consequence and likelihood.
<b>Assessing risks</b>	The approach and process used to prioritise and determine the likelihood of risks occurring and their potential impact on the achievement of the Councils objectives.
<b>Contingency</b>	An action or arrangement that can be put in place to minimise the impact of a risk if it should occur.
<b>Control (control measures)</b>	Any action, procedure or operation undertaken to either contain a risk to an acceptable level, or to reduce the likelihood.
<b>Corporate Governance</b>	Set of internal controls, processes, policies, affecting the way the Council is directed, administered or controlled.
<b>Service risk</b>	Significant operational risks which affect the day-to-day activities of the council.
<b>Identifying risks</b>	The process by which events that could affect the achievement of the Council's objectives, are drawn out and listed.
<b>Risk Prioritisation</b>	Risk prioritisation is the process used to evaluate the hazard/ risk and to determine whether precautions are adequate or more should be done. The risk is compared against predetermined acceptable levels of risk.
<b>Impact</b>	The effect that a risk would have if it occurs.
<b>Issue</b>	An event or concern that has occurred or is taking place and needs to be addressed (as opposed to a risk which has not yet, or might not, occur).
<b>Consequence</b>	A measure of the impact that the predicted harm, loss or damage would have on the people, property or objectives affected.
<b>Likelihood</b>	A measure of the probability that the predicted harm, loss or damage will occur
<b>Risk Treatment</b>	The action(s) taken to remove or reduce risks
<b>Managing and controlling risks</b>	Developing and putting in place actions and control measures to treat or manage a risk.
<b>Control</b>	The control of risk involves taking steps to reduce the risk from occurring such as application of policies or procedures.
<b>Mitigation (Plan)</b>	A strategy that reduces risk by lowering the likelihood of a risk event occurring or reducing the impact of the risk should it occur.
<b>Objective</b>	Something to work towards – goal.
<b>Operational risk</b>	Risks arising from the day to day issues that the Council might face as it delivers its services.
<b>Overall risk score</b>	The score used to prioritise risks – impact multiplied by likelihood.
<b>Risk Assessment</b>	Analysis undertaken by management when planning a new process or changing an existing procedure to identify risks that may occur, their potential impact and likelihood of occurrence. It will also identify the controls needed to control the risk and who is responsible for this.
<b>Risk Register</b>	A risk register is a log of risks of all kinds that threaten an organisations success in achieving its objectives. It is a dynamic living document which is populated through the organisations risk assessment and evaluation process. The risk register enables risks to be quantified and ranked. It provides a structure for collating information about risks.



## APPENDIX D – CORPORATE RISK MANAGEMENT GROUP – MEMBERSHIP

Member	Officer	Title	Role
Member/Chair	tbc	Director of Resources	Chair and Resources Risk Lead
Member	tbc		Customers, Commissioning & Change Risk Lead
Member	tbc		Housing Risk Lead
Member	tbc		Economic Growth Risk Lead
Member	tbc		Commercial Services Risk Lead
Member	tbc		Health & Wellbeing Risk Lead
Member	tbc		Policy & Comms. Risk Lead
Member	Cllr Mick Wall	Assistant Cabinet Member for Governance	Independent
Attendee	Mike Williamson	PPP Site Director	PPP – arvato/Kier
Attendee	Sam Sherlock	Emergency Planning & Business Continuity	Business Continuity Support
	Gerard Rogers	Regulatory & Local Government Law Manager	Legal Service and Monitoring Officer
Attendee	Jenny Williams	Head of Internal Audit	Internal Audit Representative
Attendee	Marc Jasinski	Health and Safety	Health & Safety Representative
Attendee	Richard Staniforth	Group Accountant	Finance , Risk & Insurance Representative
Attendee	Paul Robertson	Insurance	Insurance Representative
Attendee	tbc	PPP Client Officer	PPP Client Representative

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