

For publication

Risk Management Strategy and Annual Review

Meeting:	Council
Date:	17 th July 2019
Cabinet Portfolio	Cabinet Member for Governance
Report by:	Director of Finance & Resources

For publication

1.0 Purpose of report

- 1.1 To provide a report on the Risk Management developments during 2018/19 and to update the Risk Management Policy, Strategy and the Corporate Risk Registers for 2019/20.

2.0 Recommendation

- 2.1 To approve the Risk Management Policy, Strategy and the Corporate Risk Register for 2019/20.

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.
- 3.3 This report is due to be considered by the Standards and Audit Committee meeting on 17th July, 2019, where it is recommended that the Committee notes the progress made on developing the Council's approach to risk management during 2018/19 and recommends approval of the Risk Management Policy, Strategy and the Corporate Risk Register for 2019/20 to full Council.

4.0 Annual Insurance Review 2018/19

- 4.1 The Council has numerous revised insurance lots and insurance providers appointed across all policies which became active on the 1st October 2017.
- 4.2 Contracts were awarded for 7 years with an option for the Council to cancel the contract at the end of either year 3 and 5.
- 4.3 The tender process completed in 2017/18 enabled the Council to:-
- Achieve an annual savings of £187k per annum
 - Maintain existing levels of cover / excesses and in some area obtain better coverage e.g. additional perils such as 'escape of water' for municipal buildings
 - Appoint insurance companies who are well established in the local government market (Aspen and Zurich Municipal)

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 2019/20 are included in Appendix A.

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 content of the CRR had been reviewed and updated for 2019/20 via the Risk Management Group. 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 Summary for 2019/20 is shown in Appendix B and the detailed Corporate Risk Register is shown in Appendix C.

6.3 The challenge for 2019/20 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. The current key (red) risks to the Council in Appendix B/C are currently:

Description of Risk
CR1- Having a Sustainable Financial Plan - the ability to deliver priority services with the resources available. Note: resourcing (staffing) is a continued constraint for a number of services
CR4 - Investment & development of the ICT infrastructure - to ensure that a modern, efficient and reliable infrastructure is in place to support service delivery.
CR9 - Procurement & Contract Management - to ensure that contracts are procured properly and deliver value for money. Note: The Veolia waste services contract renewal will be a key procurement in 2019
CR 15 – Non-Housing Maintenance Programme & Funding i.e. funding and delivering the backlog in investment needed across our estate

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

8.0 Financial Implications

8.1 The Council transfers funds during the year to maintain a £5k balance on the Risk Management Reserve which is managed by the Corporate Risk Management Group. The movements on the reserve during 2018/19 were as follows:

Description	£
Balance b/fwd April 2018	5,000
Add contribution for the year	5,000
<u>Less expenditure/commitments:</u>	
Transfer to Budget Risk Reserve	(5,000)
Balance c/fwd at 31 st March 2019	5,000

8.2 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 Consideration

9.1 None arising from the contents of this report.

10.0 Recommendation

10.1 To approve the Risk Management Policy, Strategy and Corporate Risk Register for 2018/19.

11.0 Reason for Recommendation

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

Decision information

Key decision number	884
Wards affected	All
Links to Council Plan priorities	All

Document information

Report author	Contact number/email
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Background documents These are unpublished works which have been relied on to a material extent when the report was prepared.	
Appendices to the report	
Appendix A	Risk Management Policy and Strategy
Appendix B	Corporate Risk Register Summary
Appendix C	Corporate Risk Register (Detail)