

 FINANCE AND AUDIT SCRUTINY – 25th July 2017		Agenda Item No. 6
Title	Development Services Risk Register	
For further information about this report please contact	Tracy Darke Tel: 01926 456502 email: tracy.darke@warwickdc.gov.uk Richard Barr Tel: 01926 456815 email: richard.barr@warwickdc.gov.uk	
Wards of the District directly affected	All	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number	Finance and Audit Scrutiny meeting 29 th September 2015 Minute no. 67	
Background Papers		

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	No
Equality Impact Assessment Undertaken	No (N/A - no direct service provision)

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	14/7/17	Chris Elliott/Bill Hunt
Head of Service		Tracy Darke
CMT	14/7/17	Bill Hunt
Section 151 Officer	14/7/17	Mike Snow
Monitoring Officer	13/7/17	Andrew Jones
Finance		Richard Barr
Portfolio Holder(s)	13/7/17	Cllr Noel Butler and Cllr Alan Rhead
Consultation & Community Engagement		
N/A		
Final Decision?	Yes	
Suggested next steps (if not final decision please set out below)		

1. **Summary**

- 1.1 This report sets out the process for the review by Finance & Audit Scrutiny Committee of the Development Services Risk Register.

2. **Recommendation**

- 2.1 That Finance & Audit Scrutiny Committee should review the Development Services Risk Register attached at Appendix 1a and 1b and make observations on it as appropriate.

3. **Reasons for the Recommendation**

- 3.1 To enable members to fulfil their role in managing risk (see section 8 below).

4. **Policy Framework**

- 4.1 The Development Services Risk Register is part of the Council's corporate risk management framework. The Register reflects the Council's corporate priorities and key strategic projects that are contained in Fit for the Future.

5. **Budgetary Framework**

- 5.1 Although there are no direct budgetary implications arising from this report, risk management performs a key role in corporate governance including that of the Budgetary Framework. An effective control framework ensures that the Authority manages its resources and achieves its objectives economically, efficiently and effectively.
- 5.2 The risk register sets out when the realisation of risks might have financial consequences. One of the criteria for severity is based on the financial impact.

6. **Risks**

- 6.1 The risks are contained in the Service's Risk Register, set out as Appendix 1a and 1b.

7. **Alternative Option(s) considered**

- 7.1 This report is not concerned with recommending a particular option in preference to others so this section is not applicable.

8. **Background**

- 8.1 In its management paper "Worth the risk: improving risk management in local government", the Audit Commission sets out clearly the responsibilities of members and officers:

"Members need to determine within existing and new leadership structures how they will plan and monitor the council's risk management arrangements. They should:

- decide on the structure through which risk management will be led and monitored;
- consider appointing a particular group or committee, such as an audit committee, to oversee risk management and to provide a focus for the process;
- agree an implementation strategy;
- approve the council's policy on risk (including the degree to which the council is willing to accept risk);
- agree the list of most significant risks;
- receive reports on risk management and internal control – officers should report at least annually, with possibly interim reporting on a quarterly basis;
- commission and review an annual assessment of effectiveness: and
- approve the public disclosure of the outcome of this annual assessment, including publishing it in an appropriate manner.

The role of senior officers is to implement the risk management policy agreed by members. It is important that the Chief Executive is the clear figurehead for implementing the risk management process by making a clear and public personal commitment to making it work. However, it is unlikely that the Chief Executive will have the time to lead in practice and, as part of the planning process, the person best placed to lead the risk management implementation and improvement process should be identified and appointed to carry out this task. Other people throughout the organisation should also be tasked with taking clear responsibility for appropriate aspects of risk management in their area of responsibility."

- 8.2 Executive agreed on 11th January 2012 that:
- (a) Portfolio Holders should review their respective Service Risk Registers quarterly with their service area managers.
 - (b) Portfolio Holder Statements should include each service's top three risks.
 - (c) Executive should note the process for the review by Finance & Audit Scrutiny Committee of service risk registers.
 - (d) The relevant Portfolio Holders should attend the Finance & Audit Scrutiny Committee meetings at which their respective service risk registers are reviewed.
- 8.3 The full framework endorsed by Executive at that meeting is set out as Appendix 3.
- 8.4 Risk registers are in place for all significant risks facing service areas in the provision of their services. In addition to service risk registers for all service areas there is the Significant Business Risk Register that contains the organisation's corporate and strategic risks (the latest version of this being presented to the 5th April 2017 Executive meeting).

9. Development Services Risk Register

9.1 Introduction

9.1.1 The latest version of the Development Services Risk Register is set out as Appendix 1a and 1b to this report. The register was last reviewed in by Finance and Audit committee on 29th September 2015.

9.1.2 The scoring criteria for the risk register are subjective and are based on an assessment of the likelihood of something occurring, and the impact that might have. Appendix 2 sets out the guidelines that are applied.

9.1.3 In line with the traditional risk matrix approach, greater concern should be focused on those risks plotted towards the top right corner of the matrix whilst the converse is true for those risks plotted towards the bottom left corner of the matrix. If viewed in colour, the former-described set of risks are within the area shaded red, whilst the latter-described set of risks are within the area shaded green; the mid-range are in the area seen as yellow.

9.2 Overview of Development Services Risk Management

9.2.1 The Development Services Risk Register is owned and managed by Development Services Management Team and the Portfolio Holders for Business and Policy and Development. The register is reviewed on a regular basis by the Managers of the service area and is discussed on a regular basis with the Portfolio Holders as identified in the Service Area Plan. Although the risk register for the service area is one document, it is split into portfolio holder areas for operational reasons. Furthermore, there is a risk for the service area relating to the local plan also managed through the review of the Significant Business Risk Register

9.2.2 Amendments to existing risks are made to the register as appropriate and any new risks are identified. These are highlighted accordingly.

9.2.3 The Development Services Risk Register includes the generic business risks across the service area and these are followed by detailed risk assessments within each part of the service with mitigation and actions identified. Each of the risks have been carefully scrutinised with the service area portfolio holders and the document shows those that have moved as a result of those discussions and effective action. For example, the local plan is now close to adoption which is as a result of the work done for the Examination in Public and assistance to the Inspector in providing the modifications to the plan. Another example is the joint Building Control service that WDC operates for two other Councils, which has provided the service with resilience when competing against the private sector. This two risks have both now moved out of the 'red risk' zone as a result of this work.

9.3 Review of Risk Register by Members

9.3.1 It is proposed that Members should review the risk register set out as Appendix 1 and 2, confirming that risks have been appropriately identified and assessed and that appropriate measures are in place to manage the risks effectively. Members may wish to challenge the Portfolio Holders and the Head of Development Services on these aspects and assure themselves that their risk register is a robust document for managing the risks facing the service.