

 FINANCE AND AUDIT SCRUTINY – 6 Feb 2018		Agenda Item No. 4
Title	Cultural Services Risk Register (Feb 2018)	
For further information about this report please contact	Rose Winship Tel: 01926 456223 email: rose.winship@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Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?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	April 2017 – Finance and Audit Scrutiny	
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	3 rd Jan 2018	Andrew Jones
Head of Service	3 rd Jan 2018	Rose Winship
CMT	3 rd Jan 2018	Andrew Jones
Section 151 Officer	3 rd Jan 2018	Mike Snow
Monitoring Officer	3 rd Jan 2018	Andrew Jones
Finance	3 rd Jan 2018	Richard Barr; Christine O'Rourke
Portfolio Holder(s)	4 th Jan 2018	Cllr Coker
Consultation & Community Engagement		
Insert details of any consultation undertaken or proposed to be undertaken with regard to this report.		
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 Cultural Services Risk Register.

2. **Recommendation**

- 2.1 That Finance & Audit Scrutiny Committee should review the Cultural Services Risk Register attached at Appendix 1a 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 **Fit for the Future (FFF)**

The Council's FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other things the FFF Strategy contains several Key projects.

The FFF Strategy has 3 strands – People, Services and Money and each has an external and internal element to it. The table below illustrates the impact of this proposal if any in relation to the Council's FFF Strategy.

FFF Strands		
People	Services	Money
External		
Health, Homes, Communities	Green, Clean, Safe	Infrastructure, Enterprise, Employment
<u>Intended outcomes:</u> Improved health for all Housing needs for all met Impressive cultural and sports activities Cohesive and active communities.	<u>Intended outcomes:</u> Area has well looked after public spaces All communities have access to decent open space Improved air quality Low levels of crime and ASB.	<u>Intended outcomes:</u> Dynamic and diverse local economy Vibrant town centres Improved performance/ productivity of local economy Increased employment and income levels.
Impacts of Proposal		
The Cultural Services Risk Register is based on the Council's corporate priorities and key strategic projects that are reflected in Fit for the Future. The Fit for the Future programme is also based on an agreed set of values amongst which are the ones of openness and honesty. This is integral to the consideration of risk in an organisation; risk issues needs to be discussed and debated and mitigation put in place, in order to prevent them materialising. It does not mean, however, that all risks recorded are immediately impending or are likely to happen. Paradoxically, to not debate risks can mean that they become more likely to materialise.		
Internal		

Effective Staff	Maintain or Improve Services	Firm Financial Footing over the Longer Term
<u>Intended outcomes:</u> All staff are properly trained All staff have the appropriate tools All staff are engaged, empowered and supported The right people are in the right job with the right skills and right behaviours.	<u>Intended outcomes:</u> Focusing on our customers' needs Continuously improve our processes Increase the digital provision of services.	<u>Intended outcomes:</u> Better return/use of our assets Full Cost accounting Continued cost management Maximise income earning opportunities Seek best value for money.
Impacts of Proposal		
Although there are no direct policy implications, risk management is an essential part of corporate governance and will be a major factor in helping to achieve the above outcomes.		

4.2 **Supporting Strategies**

Each strand of the FFF Strategy has several supporting strategies but description of these is not relevant for the purposes of this report.

4.3 **Changes to Existing Policies**

This section is not applicable.

4.4 **Impact Assessments**

This section is not applicable.

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 whole report is about risks and the risk environment. Clearly there are governance-related risks associated with a weak risk management process.

7 **Alternative Options 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 January Executive meeting).

9. Cultural Services Risk Register

9.1 Introduction

- 9.1.1 The latest version of the Cultural Services Risk Register is set out as Appendix 1a to this report. The register was last reviewed by Cultural Services Management Team and Portfolio Holder in December 2017.
- 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 Cultural Services Risk Management

- 9.2.1 The Cultural Services Risk Register is owned and managed by Cultural Services Management Team (CSMT) and the Portfolio Holder for Culture. The register is reviewed on a regular basis by CSMT and is discussed on a regular basis by Head of Cultural Services and Portfolio Holder at their one-to-one meetings
- 9.2.2 Amendments to existing risks are made to the register as appropriate and when any new risks are identified. Any changes to risks are shown on the matrix attached as Appendix 1b, allowing officers to track the history of the risk and the impact of mitigation.
- 9.2.3 The Cultural Services Risk Register includes the significant business risks across the service; some of these are common across the service and others, given the broad range of services, are very specific to a particular part of the service. Sitting beneath this Risk Register are a series of very detailed risk assessments within each part of the service which identify the day to day risks which exist within the service. In general terms these are health & safety risks relevant to the type of service being provided and include, risks to customers, staff and contractors visiting or working in our venues.
- 9.2.4 Individual officers in Cultural Services have a role to play in managing these risks, and each area of the service has an officer who takes the lead on ensuring that Health & Safety risk assessments are kept up to date and new assessments are carried out when new activities are introduced. These lead officers are supported by the Council Health & Safety Advisor who monitors risk assessments. A number of the Cultural Services team have completed their IOSH Managing Safely Certificate and further training will take place at an appropriate time to offer the opportunity for more staff to gain this very useful qualification and reinforce the culture of "managing safely" across the service area.
- 9.2.5 At the time of writing the report, discussions are ongoing across the Council on the risks associated with the securing of appropriate developer contributions to service infrastructure across the district. Cultural Services are involved in these discussions due to the significant contributions that are required for sports

provision. The Risk Register will be updated once a corporate position is reached on how to reflect these risks in Service Area Risk Registers.

9.3 Cultural Services Risks

- 9.3.1 Cultural Services is responsible for the provision of a wide range of diverse services. The risk register (Appendix 1a) includes generic risks at the top of the document, followed by risks specific to the three areas of the service. Arrows on the matrices show the latest movement of any risks.
- 9.3.2 There are 36 risks contained in the Risk Register; 18 are service-specific risks and 19 are generic risks. There are currently 4 risks in the "red zone". Details of these risks are described in 9.3.4. One risk has moved into the red since the last review (Risk 19). This relates to the failure of a major contract and at the previous review had moved from the red to the yellow. The recent developments relating to the golf course operator has resulted in this moving back into the red zone. Allied to this, the catering contract is due to expire in Feb 2019 and as it moves closer to the end of the contract there may be a greater risk of the contract experiencing problems.
- 9.3.3 Risk 13 (Loss of WDC network) has moved from the yellow to the green as a result of the decision to move the box office ticketing system and telephones for the Arts team from the WDC network to the Cloud. Plans are in place to move the booking system used by the Arts team to the Cloud in the future.
- 9.3.4 The following major risks (Red) that have been identified at this point in time:-

Failure of Golf contract (25) and failure of major contract (19)

The golf course at Newbold Comyn is operated by an external contractor under contractual arrangements which extend to 2060. In line with national trends in participation in golf, the contractor has been experiencing difficult trading conditions for some time and continues in discussions with officers regarding what can be done to address this. In November 2017, the operator notified the Council that they intended to withdraw from the contract at the end of December 2017. At the time of writing the report the Council is seeking legal advice to inform decisions on the future operation of the course.

Flood threat at Royal Pump Rooms (32)

The riverside location of the Royal Pump Rooms leaves it vulnerable to flooding after periods of heavy rain. Historically the site and buildings have experienced flooding, and have led to well-established procedures to limit the damage caused should this situation occur in future. Flood defences are installed in the building to protect the art store and temporary gallery; early warnings are received from the National Floodline Services, and procedures are in place to alert staff out of hours should this be required. Replacement of flood barriers to Temporary Exhibition Gallery and a new barrier to offer some protection to the plant room were undertaken in March 2017.

Leaks into the Royal Pump Rooms from roof (33)

Again, at times of heavy rain, water penetrates the flat roof above the gallery. The condition of the roof was identified by the EC Harris Condition Survey, and verified by the Housing and Property Services team. No decision has been made on remedial work or a replacement roof, and this will not be done until the medium/long term future of the Royal Pump Rooms is confirmed. In the meantime, regular roof inspections are carried out to check for any evidence of deterioration of the roof, or blocked drains.

Housing and Property Services are considering options for the future in respect of roof design and relocation of plant currently installed on the roof. Until the time that a decision is made regarding a new roof, this significant risk will remain.

9.4 Review of Risk Register by Members

- 9.4.1 It is proposed that Members should review the risk register set out as Appendix 1a, 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 Holder and the Head of Cultural Services on these aspects and assure themselves that their risk register is a robust document for managing the risks facing the service.