

Title: Significant Business Risk Register
Lead Officer: Richard Barr
Portfolio Holder: Councillor Davison
Wards of the District directly affected: All

| Approvals required | Date | Name |
|---|--|--------------------|
| Portfolio Holder | 16/11/23 | Councillor Davison |
| Finance | 16/11/23 | Andrew Rollins |
| Legal Services | Not applicable | |
| Chief Executive | 16/11/23 | Chris Elliott |
| Director of Climate Change | 16/11/23 | Dave Barber |
| Head of Service(s) | 16/11/23 | Andrew Rollins |
| Section 151 Officer | 16/11/23 | Andrew Rollins |
| Monitoring Officer | 16/11/23 | Andrew Jones |
| Leadership Co-ordination Group | 20/11/23 | Various |
| Final decision by this Committee or rec to another Cttee / Council? | Yes/ No Recommendation to: Cabinet / Council Committee | |
| Contrary to Policy / Budget framework? | No/Yes | |
| Does this report contain exempt info/Confidential? If so, which paragraph(s)? | No/Yes, Paragraphs: | |
| Does this report relate to a key decision (referred to in the Cabinet Forward Plan)? | No/Yes, Forward Plan item – scheduled for (date) | |
| Accessibility Checked? | Yes/No | |

Summary

The report sets out the latest version of the Council's Significant Business Risk Register for review by the Cabinet. It has been drafted following review by the Council's Senior Leadership Team (SLT) and by the Leader of the Council.

Recommendations

- (1) That Cabinet should note the contents of this report.
 - (2) That Cabinet should review the Significant Business Risk Register (SBRR), set out as Appendix 1 and summarised as Appendix 2, and consider if any further actions should be taken to manage the risks facing the organisation.
 - (3) That the Cabinet note the proposals for reshaping the approach to future versions of the SBRR.
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1 Reason for the Recommendations

- 1.1 This report seeks to assist Members fulfil their role in overseeing the organisation's risk management framework. A very useful source of guidance on the responsibilities of members and officers regarding risk management came from the Audit Commission in its management paper, "Worth the risk: improving risk management in local government":

"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.”

Although the Audit Commission has since been abolished, the guidance remains relevant.

1 Background/Information

- 1.1 The Significant Business Risk Register (SBRR) records all significant risks to the Council’s operations, key priorities, and major projects. Individual services also have their own service risk registers as do the major projects.
- 1.2 The SBRR is reviewed quarterly by the Council’s Senior Leadership Team. This process is thorough and involves a focus on the higher rated risks; then a review of the others; and, then a discussion on emerging risks/horizon scanning. For this cycle, the SLT dedicated a large segment of one of its fortnightly sessions. On this occasion the Council Leader joined the meeting and was involved in the review. The SBRR is then, in keeping with Members’ overall responsibilities for managing risk, reviewed by Cabinet. Audit and Standards Committee will also provide scrutiny, before or after Cabinet.
- 1.3 The latest version of the SBRR is set out as Appendix 1 to this report with a summary of the relative priority of the risks set out as Appendix 2.
- 1.4 The risks identified in Appendices 1 and 2 are as follows:
 1. Risk of Fit for the Future Change Programme not managed appropriately/effectively.
 2. Risk of sustained service quality reduction.
 3. Risk of major contractor going into administration or deciding to withdraw from the contract.
 4. Risk of corporate governance arrangements not being maintained effectively.
 5. Risk of staff not being developed effectively.
 6. Risk of insufficient finance to enable the Council to meet its objectives (including insufficient reductions in operating costs).
 7. Risk of additional financial liabilities.
 8. Risk of not obtaining potential income sources.
 9. Risk of improper procurement practices and legislative requirements not being complied with.
 10. Risk of partnerships not delivering stated objectives.
 11. Risk of not complying with key legislation or legal requirements including failure to protect data.
 12. Risk of ineffective utilisation of information and communications technology.
 13. Risk of failure to protect information assets from malicious cyber-attack.
 14. Risk of failing to provide, protect and maintain Council owned property (buildings and equipment).
 15. Risk of a major incident not responded to effectively
 16. Risk of failing to meet District’s ambition to be carbon neutral within specified timeframes.
 17. Risk of failing to adequately prepare for the impacts of climate change arising from higher global temperatures.

- 1.5 The assessments of risk are judgemental, being based on an assessment of the likelihood of something occurring and the impact that might have. Appendix 3 sets out the guidelines that are applied to assessing risk.
- 1.6 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 (i.e., online), the former set of risks would be within the area shaded red, whilst the latter would be within the area shaded green; the mid-range would be seen as yellow.
- 1.7 It may be worth members re-apprising themselves of the basis on which risks are scored in relation to likelihood and impact – see Appendix 3. The probability of a risk being realised, and how many times it might happen, is usually assessed over a number of years, unless the risk is new.

2 Recent Movements in Risk and Comments on the Register

- 2.1 The following movements in risk have been identified since the last review:
- Risk 14: Risk of failing to provide, protect and maintain Council owned property (buildings and equipment) – Impact and Likelihood increased by one due to uncertainties re Pennington report.
 - Risk 6: Risk of insufficient finance to enable the Council to meet its objectives (including insufficient reductions in operating costs) – Likelihood reduced by one. The Head of Finance can explain the reason at the Cabinet meeting.
- 2.2 It is important to note that this is the last time the SBRR will be reported in this format. It has been agreed that it will be reviewed to reflect the new Corporate Strategy. The timeline for this is being drawn up.
- 2.3 Within this new approach it will be important to recognise the many new challenges faced by the Council in respect of the wholesale change to the Social Housing Regulatory Framework; changes to Building Control; Procurement; and Planning. These changes will generate new risks and risk mitigations as we come to understand the implications much more.

3 Alternative Options

- 3.1 Members may take a differing view on the risks identified; on the ratings attributed; or the mitigations; and may feel that they wish to indicate changes to be made.

4 Legal Implications

- 4.1 There are no legal or human rights implications of the report's contents but clearly risk realisation may generate some implications.

5 Financial

- 5.1 There are no financial implications of this report but clearly some of the identified risks, if realised, may well have such implications.

- 5.2 The current financial position, including the latest update to the Medium-Term Financial Strategy will be presented as part of the Revenue and Capital Budget Reports for both the General Fund and HRA on the same Cabinet agenda.
- 5.3 This report will highlight changes to the financial position of the Council, and the ongoing risks associated with the current economic climate.
- 5.4 The report will outline the implications of these changes on the financial position of the Council both in the short and medium term, and will emphasise the importance of organisational change in order to deliver a sustainable balanced budget on a recurrent basis.

6 Corporate Strategy

- 6.1 Warwick District Council has adopted a Corporate Strategy that sets three strategic aims for the organisation – see below. Each proposed decision should set out how the report contributes to the delivery of these strategic aims. If it does not contribute to these aims or has a negative effect on them the report should explain why that is the case.
 - 6.1.1 Delivering valued, sustainable services.
 - 6.1.2 Low cost, low carbon energy across the district.
 - 6.1.3 Creating vibrant, safe and healthy communities of the future.
- 6.2 The Significant Business Risk Register contributes to the delivery of these strategic aims as part of a framework of effective risk management. This ensures that the activities necessary to deliver these aims are risk-assessed and managed effectively.

7 Environmental/Climate Change Implications

- 7.1 Effective risk management can help the Council achieve its environmental and climate emergency objectives.

8 Analysis of the effects on Equality

- 8.1 Effective risk management will help the Council achieve its equality obligations.

9 Data Protection

- 9.1 Effective risk management will help the Council achieve its data protection objectives.

10 Health and Wellbeing

- 10.1 Effective risk management will help the Council achieve its health and wellbeing objectives.

11 Risk Assessment

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

12 Consultation

12.1 Please refer to 'header page' of this report.

Background papers:

All Papers referred to in this report are published documents.

Supporting documents:

Minutes of SLT meeting 16 November 2023.