

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

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## 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 Joint Management Team and by the Leader of the Council.

## Recommendations

- (1) 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.**
  - (2) That Cabinet should note the content of section 1.3 of this report and emerging risks as identified in section 1.4, also of this report, together with additional risks in the SBRR (Appendix 1).**
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### 1.1 Background/Information

- 1.1.1 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.
- 1.1.2 The SBRR is now reviewed quarterly by the two Councils' Joint Management Team. This process involves a focus on the higher rated risks; then a review of the others; and, then a discussion on emerging risks/horizon scanning. This most recent of reviews lasted circa an hour and a half. It is then reviewed by the WDC Council Leader and then, in keeping with Members' overall responsibilities for managing risk, by the Cabinet following scrutiny by the Finance and Audit Scrutiny Committee.
- 1.1.3 The latest summary of the SBRR is set out as Appendix 1 to this report with a depiction of the relative priority of the risks set out as Appendix 2. For the first time, the risks in Appendix 1 are in order of significance.
- 1.1.4 Members should note that the approach adopted by WDC is now to be adopted for SDC so that eventually a Joint SBRR can be created as many of the risks and ratings are the same or similar.
- 1.1.5 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.
18. Risk of the merger proposal failing to proceed or to do so within the specified time.

1.1.6 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.

1.1.7 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.

## 1.2 Reason for the Recommendations

1.2.1 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.

### 1.3 **Recent Movements in Risk**

- 1.3.1 The JMT recently reviewed the SBRR in the context of the pandemic and other changes in the circumstances faced by the Council. The outcome of that re-assessment has led to the inclusion of additional risks and changes to the ratings of some of the existing risks. Whilst not all changes are adverse, the combination of the financial impact of the pandemic (and, recently, more general financial concerns), cyber security issues, the retendering of the waste management contract and other changes in costs, together with staff shortages - all happening at the same time as the very significant organisational change resulting from the merger with SDC - has placed great stress on the organisation(s) that will need careful management by officers and Members alike.
- 1.3.2 The proposal is to manage this stress overall via the content of the Service Area Plans. Implicitly, while the Council has set itself some demanding objectives, this may mean some things taking longer to do and it may mean some things can't be done. Members and Portfolio Holders especially will therefore need to understand the demands on staff and will need to be clear about priorities when considering the Service Area Plans.
- 1.3.3 It is also worth noting that the Council has started its first major integration which is causing some staff uneasiness and concern. Effective communications are therefore of paramount importance. Although it is considered the right strategy is in place, it is important that officers and members continue to work together effectively.

## **1.4 New and Emerging Risks**

1.4.1 As part of the process of assessing the significant business risks for the Council, some new risks have been introduced and other issues have been identified which at this stage do not necessarily represent a significant risk, or even a risk at all, but as more detail emerges may become one. These have been mentioned in previous reports and are updated and new issues added as follows:

- Funding – it was recognised in the last version of this report that Funding was at the very least an emerging risk. As news from the Government has now been issued and as the Council has now considered its budget for 2022/23 and for the medium term, the risk (6) relating to financial aspects in the SBRR has been updated and the risk rating has increased.
- Merger - Given the Council decision in respect of seeking to merge with Stratford-on-Avon District Council (SDC), it is recognised that this body of work would affect the Council's risk register throughout as currently set out and is of such a scale that it requires its own risk register as well as an individual entry on the SBRR. All 3 aspects have now been addressed and there is now a specific risk (18) within the SBRR relating to the proposed merger as well as a more project-based risk register for the merger and of course the implications of the merger flow through the SBRR overall.
- Climate Change – a new risk (17) has been added to reflect the Council's recently adopted Climate Change Programme aim of tackling adaptation as well as mitigating Climate Change. The risk rating for climate change (16) has reduced resulting from the Programme having been adopted.
- HEART – this is a partnership of all the Boroughs and Districts and the County Council for the provision of disabled adaptations. It is fair to say that there are issues which are coming to a head shortly and whilst negotiations are encouraging, depending on how they are resolved this may generate a risk for the Council.

## **2 Alternative Options available to Cabinet**

2.1 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.

## **3 Consultation and Members' comments**

3.1 Consultation has been with the whole of the Joint Management Team, the Leader of the Council, informally with the Cabinet and Group Leaders.

## **4 Implications of the proposal**

### **4.1 Legal/Human Rights Implications**

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

### **4.2 Financial**

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

### 4.3 **Council Plan**

#### 4.3.1 **External Impacts**

**People - Health, Homes, Communities**  
**Services - Green, Clean, Safe**  
**Money- Infrastructure, Enterprise, Employment**

The Significant Business 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 need 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 is to help them more likely to materialise.

It is 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 assessed over a number of years, not as if it is going to happen tomorrow.

#### 4.3.2 **Internal Impacts**

**People - Effective Staff**  
**Services - Maintain or Improve Services**  
**Money - Firm Financial Footing over the Longer Term**

As above.

### 4.4 **Environmental/Climate Change Implications**

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

### 4.5 **Analysis of the effects on Equality**

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

### 4.6 **Data Protection**

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

### 4.7 **Health and Wellbeing**

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

## **5 Risk Assessment**

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

## **6 Conclusion/Reasons for the Recommendation**

6.1 The report sets out the latest version of the Council's Significant Business Risk Register for review by the Cabinet. This will aid effective governance within, and of the Council.

**Background papers:**

All Papers referred to in this report are published documents.

**Supporting documents:**

Minutes of JMT meeting 10 February 2022.

## Report Information Sheet

<b>Committee/Date</b>	Cabinet – 20 April 2022	
<b>Title of report</b>	Review of WDC Significant Business Risk Register	
<b>Consultations undertaken</b>		
<b>Consultee *required</b>	<b>Date</b>	<b>Details of consultation /comments received</b>
<b>Ward Member(s)</b>	Not applicable	
<b>Portfolio Holder WDC &amp; SDC *</b>	18/02/22	Consultation has been extensive with the Risk Register being thoroughly discussed at Joint Management Team. These discussions have led to updates to the Risk Register and explanatory comments on the covering report. The Risk Register and the covering report have also been reviewed by Members at the CMT/Cabinet Reports Briefing Meeting.
<b>Financial Services *</b>	10/02/2022	
<b>Legal Services *</b>	10/02/2022	
<b>Other Services</b>	10/02/2022	
<b>Chief Executive(s)</b>	10/02/2022	
<b>Head of Service(s)</b>	10/02/2022	
<b>Section 151 Officer</b>	10/02/2022	
<b>Monitoring Officer</b>	10/02/2022	
<b>CMT (WDC)</b>	10/02/2022	
<b>Leadership Co-ordination Group (WDC)</b>	21/02/2022	
<b>Other organisations</b>		
<b>Final decision by this Committee or rec to another Cttee/Council?</b>		Recommendation to Cabinet
<b>Contrary to Policy/Budget framework</b>		No
<b>Does this report contain exempt info/Confidential? If so, which paragraph(s)?</b>		No
<b>Does this report relate to a key decision (referred to in the Cabinet Forward Plan)?</b>		Yes, Forward Plan item – scheduled for 20/04/22
<b>Accessibility Checked?</b>		File/Info/Inspect Document/Check Accessibility