

Title: Significant Business Risk Register

Lead Officer: Richard Barr

Portfolio Holder: Councillor Day

Wards of the District directly affected: None directly impacted.

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 the Leader of the Council.

Recommendations

- (1) That Executive should review the Significant Business Risk Register attached at Appendix 1 and consider if any further actions should be taken to manage the risks facing the organisation.**
 - (2) That Executive should note the emerging risks identified in section 1.4 of this report and that an additional risk be included in future relating to the proposed merger with SDC.**
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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.
- 1.2 The SBRR is reviewed quarterly by the Council's Senior Management Team and the Council Leader and then, in keeping with members' overall responsibilities for managing risk, by the Executive. The latest version of the SBRR is set out as Appendix 1 to this report.
- 1.3 A summary of all the risks and their position on the risk matrix, as currently assessed, is set out as Appendix 2.
- 1.4 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.
- 1.5 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 (e.g. 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 Senior Management Team (as was) reviewed the SBRR in light of the ongoing pandemic. Nearly all the risks identified in the Register were initially negatively impacted by the consequences of the virus. However, with matters now on a more even keel, and following a thorough review of the way the Council responded to events and, subsequently, compilation of an action plan, many of the residual risk ratings have since been reduced.

1.4 **Emerging Risks**

1.4.1 As part of the process of assessing the significant business risks for the Council, some 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 – the ongoing impact of the pandemic continues to cause great uncertainty for the Council and its operations. The situation is being monitored closely and communications between the Political and managerial leadership of the Council remain very strong. The Head of Finance prepared a report for the September Cabinet meeting which updated Members with the then latest financial position and there is another report on this agenda with an update for Quarter 2 on budget performance. By the time this report is discussed more news on the Comprehensive Spending Review and its implications for local government should be known.
- 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 will affect the Council’s risk register as currently set out and is of such a scale that it requires its own risk register and an entry on the SBRR. Although the second and third items have not been addressed, the first-mentioned item has been actioned in that the SBRR has now been updated throughout to reflect the joint work with SDC.
- 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 in the near future and depending on how they are resolved this may generate a risk for the Council.

2 Alternative Options available to Cabinet

2.1 The report is not based on ‘project appraisal’ so this section is not applicable.

3 Consultation and Members’ comments

3.1 Include any comments received in response to the consultation on the report.
No comments received except from review of the Register.

4 Implications of the proposal

4.1 Legal/Human Rights Implications

4.1.1 Include a summary of the legal or human rights implications of the proposal.
Not applicable.

4.2 Financial

4.2.1 Include a summary of the financial implications of the proposal.
Not applicable.

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

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 can help the Council achieve its equality obligations.

4.6 **Data Protection**

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

4.7 **Health and Wellbeing**

4.7.1 Effective risk management can 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 the Council.

Background papers:

Please provide a list of any papers which you have referred to in compiling this report and are not published documents. This is a legal requirement.

You must also supply these when submitting the report.

All Papers referred to in this report are published documents.

Supporting documents:

Minutes of JMT meeting 7 October 2021.

Report Information Sheet

Committee/Date	Cabinet – 4 November 2021	
Title of report	Review of WDC Significant Business Risk Register	
Consultations undertaken		
Consultee *required	Date	Details of consultation /comments received
Ward Member(s)		
Portfolio Holder WDC & SDC *		18/10/2021
Financial Services *		
Legal Services *		
Other Services		
Chief Executive(s)		7/10/2021
Head of Service(s)		7/10/2021
Section 151 Officer		7/10/2021
Monitoring Officer		7/10/2021
CMT (WDC)		11/10/2021
Leadership Co-ordination Group (WDC)		19/10/2021
Other organisations		
Final decision by this Committee or rec to another Cttee/Council?		Recommendation to Cabinet
Contrary to Policy/Budget framework		No
Does this report contain exempt info/Confidential? If so, which paragraph(s)?		No
Does this report relate to a key decision (referred to in the Cabinet Forward Plan)?		Yes, Forward Plan item – scheduled for 4/11/2021
Accessibility Checked?		File/Info/Inspect Document/Check Accessibility