

.GOVERNANCE COMMITTEE**22nd SEPTEMBER 2014****REPORT OF HEAD OF CENTRAL SERVICES****ANNUAL REVIEW OF RISK MANAGEMENT****1.0 PURPOSE OF REPORT**

- 1.1 To update Members on the management of risk within the Council during 2013/14.

2.0 RECOMMENDATIONS

- 2.1 **That the report be noted.**
- 2.2 **That the latest risk management action plan as attached at Appendix A be approved.**

3.0 KEY ISSUES

- 3.1 The Council has maintained its focus on key risks throughout 2013/14. This is undertaken by Management Team through regular reporting and review of the corporate risk register and scrutiny of the service risks as contained within the service plans. The risks contained in the service plans is the one element of the service plans that is reviewed and updated regularly in year within services in order to feed into these more strategic reviews by the Management Team. Risk logs are maintained as appropriate for individual projects by the Project Manager and would be reported to the Council's Programme Board through regular highlight reports as the need arises.
- 3.2 The Risk Management Policy and Strategy which was updated and approved by this committee on 27th June 2012 sets out the risk prioritisation process which enables management to determine the appropriate action that should be taken for each risk depending on its level. Risks that score above a certain level are those where a Director focus is required and as such these are the risks that are reflected in the corporate risk register. Risks below this level will be managed within services at the appropriate level and reflected in service plans.
- 3.3 In line with this approach to classifying risks, the service plans for 2014/15 were utilised to extract all those risks where this higher level of focus is required, and were then used to update the corporate risk register including an action plan for each risk. This exercise saw the removal of one risk for the, "Costs at appeal arising from unreasonable behaviour at planning appeals", and the addition of the cattle market project as a corporate risk. The associated action plans have since been updated accordingly.
- 3.4 The Council's insurance provider Zurich Municipal supply to the Council training and consultancy support days on Risk Management as part of the insurance contract which runs from June each year. For the 2013/14 year they delivered training and support in the following areas:

- Reputational Risk Management - Zurich facilitated two workshops for Senior Managers aimed at identifying the potential causes of reputation failure and how to mitigate against them. An internal survey of participants showed that 84% felt the reputation of the Council had improved in recent years. It identified the main threats to the Council's reputation to be: expectation failure, not delivering on the local plan and "digital wildfires" - the spread of negative news via digital channels such as social media. Recommendations put forward for consideration on how to mitigate against these risks included developing a communication strategy for the Local Plan, putting a crisis communication plan in place and having an escalation process and enhanced monitoring for social media.
- Inspection Regime Training – The council has had a high incidence of claims from trips and falls and this training was aimed at raising awareness and improving the level of inspections undertaken by service areas. Since the training, claims have reduced considerably, however management continue to pay attention to this area to retain the high level of focus. It is hoped that if the current trend continues insurance premiums for public liability should decrease as a result. Follow up training has been arranged for September 2014
- A review of the council's lift management contract.- Zurich insurance engineers reviewed the draft lift contract and specification prior to completing and signing the 3 year agreement.
- A property risk survey of the cattle market - A risk consultant at Zurich undertook an inspection of the cattle market as part of our inspection regime and this can be used to help guide us on our other inspections, and ensure that we have an adequate inspection regime. The report is confidential and not available to the underwriting section of Zurich. Remedial works were graded as Immediate, works to be completed within 1 month and works to be completed within 3 months , and 12 months plus.

For the coming year discussions have commenced on ZM supporting work surrounding data management and associated training. This is currently a very "hot topic" for ZM for themselves and their customers and it will be useful to benefit from their expertise in this area. In addition follow up practical inspections training has been arranged for September 2014 to maintain the momentum achieved following the initial training received in the last year.

4.0 **POLICY AND CORPORATE IMPLICATIONS**

- 4.1 The risk management process is guided by the Council's Risk Management Policy and Strategy.

5.0 FINANCIAL AND OTHER RESOURCE IMPLICATIONS

5.1 There are financial implications from poor Risk Management however, with robust procedures these should be minimised or eradicated.

6.0 LEGAL IMPLICATIONS/POWERS

6.1 Failure to adequately address Legal issues arising from any activity of the Council increases risk. Officers endeavour to ensure Members are adequately advised and projects properly implemented to ensure that Legal requirements are met.

7.0 COMMUNITY SAFETY

7.1 There are no particular implications arising from this report.

8.0 EQUALITIES

8.1 There are no particular equalities issues arising as a result of this report.

9.0 RISKS

9.1 There are all dealt with within the report.

10.0 CLIMATE CHANGE

10.1 There are no particular implications arising from this report.

11.0 CONSULTATION

11.1 Management Team have been consulted on the updated corporate risk register.

12.0 WARDS AFFECTED

12.1 All

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Date: 19 August 2014

Appendices : A – Corporate Risk Register: Melton Borough Council
Background Papers: Corporate Risk Register Monitoring Template
Service plans 2014/15
Risk Management policy and strategy.

Reference : X:\Cttee, Council & Sub Cttees\Governance\201415\220914