

GOVERNANCE COMMITTEE

19th SEPTEMBER 2017

REPORT OF CORPORATE DIRECTOR

ANNUAL REVIEW OF RISK MANAGEMENT

1.0 PURPOSE OF REPORT

1.1 To update Members on the management of risk within the Council during 2016/17.

2.0 RECOMMENDATIONS

2.2 **That the latest corporate risk register and associated 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 2016/17. This is undertaken by Management Team through regular reporting and review of the corporate risk register and scrutiny of the service risks as previously contained within the service plans.

3.2 The service risks are reviewed and updated regularly in year within services in order to feed into the more strategic reviews by the Management Team. Risk logs are also 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.

3.3 In line with this approach to classifying risks, the service risk registers 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 following changes since the annual report to this committee last September 2016:

- Risk 2 relating to the council's finances has reduced from a very high likelihood to a high likelihood. This is reflective of the development of the efficiency plan which if achieved meets the funding gap. However the risk description has also been changed to include the risk that the efficiency plan if not achieved will impact on the achievement of a balanced budget which is why the risk still remains at a high level.
- Risk 3 relating to the impact of welfare reform on vulnerable people has been amended to recognise that the risk relating to the impact of these reforms at this stage is in respect of universal credit and the impact is not only on the community but also on the council's revenue streams primarily rental income.

- Risk 4 relating to the challenge of cultural issues impacting on the ability to transform the council has reduced from a high probability to significant. This is due to the work that has been undertaken in this area as shown as completed on the action plan. The risk has been modified going forward to include the new areas of transformation relating to income generation and managing supply and demand.

3.4 The current risk management strategy and policy was approved in 2015 and covers the period until 2018. As such the Management Team are proposing to undertake a review in 2018 using support from the Council's insurance provider ZM who also supply training and consultancy support days on Risk Management as part of the insurance contract. This will also provide an opportunity to review the risks facing the council with the benefit of external challenge.

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 The Lead member for risk has been consulted on the risk register and associated action plans prior to this meeting.

12.0 **WARDS AFFECTED**

12.1 All

Contact Officer Dawn Garton
Date: 29.8.17

Appendices : A (i) – Corporate Risk Matrix
A (ii) - Corporate Risk Register Action Plan: Melton Borough Council
Background Papers: Service risk templates for 2017/18
Risk Management Policy and Strategy.

Reference : X:\Cttee, Council & Sub Cttees\Governance\201718\190917