

**AGENDA ITEM 5**  
**RECOMMENDED ITEM FROM SCRUTINY COMMITTEE**  
**14<sup>TH</sup> JULY 2009**

**159. RISK MANAGEMENT**

The Director of Strategy presented the report to update Members on progress with Risk Management since the last report in March 2009.

A total of 228 risks had been identified with 88 having a score of 8 or above and therefore reportable to Members.

All Project and Partnership risks had been identified separately in the report for Members consideration. Risks associated with climate change had also been identified by the Business Risk and Climate Change groups, these included floods, extreme cold weather, heat waves, reduced water availability and storms/high winds. Members' attention was brought to the processes in place to mitigate the associated risks, particularly those having a high impact on individuals and those requiring nil or negligible cost.

Members questioned why Swine Flu had not been identified as a risk. The Director of Strategy drew Members' attention to SR9 on the Strategic Risk Register which identified the risk factor of a major industrial action or sickness epidemic. The risk level was being kept under review as new guidance and information was received. All departments had been requested to review their business continuity planning procedures.

It was noted that the Legal Time Management System (Risk Leg2005/10) was no longer supported and an explanation was requested. Members were advised that the Time Management software used by Legal was no longer supported by the software company as the necessary upgrade had been unaffordable due to other budget constraints. The register indicated the potential impact to Legal Services if the Time Management system was withdrawn. The Principal Senior Solicitor advised that a paper based system was currently being drafted and would be in place in the near future.

Questions were raised with regard to the current status of the Legionella risk. The Director of Strategy advised that training had been provided to all staff working in premises where there may be a potential for Legionella to be present and a robust system was in place for managing and monitoring the risks.

Members asked questions regarding the measures in place to mitigate the impact of a potential flood. The Director of Strategy advised that a number of measures were being considered with Derbyshire County Council who had carried out a local climate assessment of the area. Numerous County wide initiatives were ongoing to assess and monitor climate related risks and ensure those residents most vulnerable to flooding were notified of potential problems.

In response to questions raised with regard to availability of funding for housing grants, the Director of Strategy advised that private sector housing grants were provided within the limits of the available budget and the Council's priorities. Additional funding was continually sought from other sources wherever possible.

Moved by Councillor J. E. Smith, seconded by Councillor M. Dooley

**RECOMMENDED** that (1) the contents of the report be noted;

(2) that Executive be recommended to agree the climate change risks that can be improved by nil cost or negligible action be progressed.

(Director of Strategy/Democratic Services)

Committee:	Scrutiny	Agenda Item No.:	6
Date:	14 <sup>th</sup> July 2009	Category	3
Subject:	Risk Management	Status	Open
Report by:	Director of Strategy		
Other Officers involved:	Business Risk Group Senior Management Team Heads of Service		
Director	Strategy		
Relevant Portfolio Holder	Strategic Organisational Development		

## **RELEVANT CORPORATE AIMS**

CUSTOMER FOCUSED SERVICES – Providing excellent customer focused services

STRATEGIC ORGANISATIONAL DEVELOPMENT – Continually improving our organisation.

By adopting a corporate approach to risk management, the Council minimises potential difficulties that could impact upon its abilities to deliver Customer Focussed Services.

## **TARGETS**

A priority identified in the Corporate Plan is to ensure that all Strategies and Plans have robust monitoring, assessment and review functions

## **VALUE FOR MONEY**

Proactive risk management avoids unnecessary expenditure in resolving issues that could otherwise be avoided or minimised by forward planning.

## **THE REPORT**

This report updates Members on progress with Risk Management since the last report in March 2009. In particular it provides details of the quarterly review of both Operational and Strategic Risk Registers.

## **ISSUES FOR CONSIDERATION**

As a result of this review there are now a total of 228 identified risks (as opposed to 197 in March 2009), of which 201 (169) are Operational and 27 (27) are Strategic. During the course of the review 32 new Operational risks have been identified, 16 amended and 3 deleted. There have been no amendments to the Strategic risks.

Members will recall that to assist in embedding risk management monitoring now takes place for any risks with an “initial” risk score of 8 or more. Monitoring is now beginning to focus on the completion of actions to alleviate or reduce risks to their residual scores. If these scores remain at 8 or more they will continue to be reported but if following completion of appropriate actions the residual score reduces below 8 they will no longer be reported to Members, but remain on the Master Risk Register. To assist Members in monitoring progress Annex 1 contains shading to highlight any risks where changes have taken place since the last report. The “Comments” column is used to provide brief updates of progress on individual risks for Members.

As a result of the changes referred to above, there are now 88 (79) risks with such a score. 71 (62) Operational risks have an initial score of 8 or more of which 8 are new, 14 have been amended and none deleted. There are 17 Strategic risks with such scores, with no amendments, additions nor deletions. The revised Risk Registers are shown in Annex 1.

In March it was reported that risks connected with projects and partnerships are now beginning to be included within the risk registers. As a result of concerted action it is pleasing to note that progress is being made on managing these types of risks. There are now 32 project risks identified at Annex 2 and 22 partnership risks at Annex 3. To assist in the management of health and safety risks, these are also now separately identified and there are 45 such risks at Annex 4. As this is the first time that Members have received this separate information all risks have been identified even if their initial score is less than 8. In future it is proposed that reporting will be restricted to those risks scoring 8 or more but they can be separately identified if Members find this helpful.

In response to potential risks associated with climate change and as part of the self assessment of our adaptation to climate change required by NI 188, a joint meeting of the Business Risk and Climate Change Groups considered a number of potential risks. These have not yet been entered onto the Master Risk Register, pending Members consideration of the issues involved. 5 generic risks have been identified covering floods, extreme cold weather, heatwaves, reduced water availability and storms / high winds. Details are provided at Annex 5.

Members will note that none of the risks have initial scores greater than 8 and would not normally be reported. However in view of the potential for specific action to be taken to reduce these risks Members views are invited. Clearly there is always more that could be done to reduce risks but this will require

additional resources or the diversion of existing resources from current work. In response to questions on how such risks should be managed, GOEM advised that if they are below our normal reporting thresholds, there is no requirement for specific actions to be taken other than reporting to Members and subsequent monitoring. Risk assessment scores have been arrived at based upon the overall impact upon the district and the capability of the Council to respond. However, should any of these risks occur, their impact upon individuals / affected households can be quite devastating. It is therefore proposed that an exception to normal practice be introduced for these risks. Within Annex 5 Members will not have a column entitled "Additional risk control measures that could be introduced". It is proposed that where the cost of such measures has been classed as "nil" or negligible that action be taken to progress the measures identified.

Members are requested to consider the contents of this report and to identify any issues they require further information upon, in particular whether or not they require different categories of risk to be separately identified.

## **IMPLICATIONS**

**Financial:** All costs associated with the introduction of the risk management strategy and the development of strategic and operational risk registers will be accommodated within existing budgets. Following further assessment of risks with an "initial" score of 8 or more it may be necessary to seek budgetary approval to undertake action to mitigate certain risks. All issues of this nature will be the subject of future reports to Members.

**Legal:** None

**Human Resources:** Officer and Member time to support and embed a risk management culture within the Council.

## **RECOMMENDATIONS**

- 1. That the contents of the report be noted and Members indicate any issues they require further information upon, particularly whether or not future reports are to separately identify different categories of risk.**
- 2. That a recommendation be made to Executive that climate change risks that can be improved by nil cost or negligible action be progressed.**

**ATTACHMENT:** Strategic and Operational Risk Register  
**FILE REFERENCE:**  
**SOURCE DOCUMENT:** Risk Management Strategy