

Title of Report:	Strategic Risk Register	Item 6
Report to be considered by:	Governance and Audit Committee – 22 November 2005	
Forward Plan Ref:		

Corporate Plan Priority:	D4 - Stronger governance
The proposals contained in this report will help to achieve the above Corporate Plan priority by: maintaining the internal control framework of the Council.	

Purpose of Report:	To set out the Council's Strategic Risk Register for 2006/07 and the resulting Action Plan.
Recommended Action:	To agree the revised main strategic risks which face the Council and the way forward to manage or control them.
Reason for decision to be taken:	To ensure that the Council's strategic objectives are met and that any associated risks with achieving them are identified and appropriately managed.
List of other options considered:	None
Key background documentation:	<ul style="list-style-type: none"> • Risk Management Strategy • Strategic Risk Register / Action Plan

Portfolio Member:	Cllr Anthony Stansfeld
Tel. No.:	01488 658238
E-mail Address:	astansfeld@westberks.gov.uk

Contact Officer Details	
Name:	Charles Morris
Job Title:	Risk Manager
Tel. No.:	01635 5193103
E-mail Address:	crmorris@westberks.gov.uk

Implications

Policy:	This report has no direct policy implications for the Council. The strategic risks identified in this report are all related to the delivery of the Corporate Plan.
Financial:	The Council has already set aside a £1.2m 'Risk Reserve' within its 2005/06 Revenue Budget. This will be used if required to mitigate the risks outlined in this report.
Personnel:	None
Legal:	None
Property:	Property implications are set out within the report where appropriate.
Risk Management:	The annual review of the Council's Strategic Risk Register and the development of the resulting Action Plans is a key element of the Risk Management Strategy.

Supporting Information

1. Background

- 1.1 The Council has already adopted a Risk Management Strategy and this was revised in December 2004 and approved by the Executive. A further revision to the Strategy will be made in December 2005. This report is an annual review of the Strategic Risk Register building on the work commenced last year.
- 1.2 Risk management is an integral part of the corporate governance framework. It is essential that risk management continues to be embedded into the fabric and decision making process of the Council. It is the process by which organisations methodically address the risks associated with the delivery of their objectives. The focus of good risk management is the identification and handling of those risks. The risk management process is fully supported by Members and the senior management team. The Council has allocated a budget of £1.2 million to help mitigate the strategic risks.
- 1.3 The previous Strategic Risk Register was reported to The Executive on 9 June 2005 and has now been revised.

2. Methodology

- 2.1 The draft Strategic Risk Register is set out as Appendix 6(a). It is structured against the following headings:

External Influences
Corporate management
Corporate Governance
Technology
Service Delivery / Procurement
Projects
Partnerships

- 2.2 It follows a commonly used template, which assesses the likelihood of a risk occurring and its potential impact. This is done using a 4 x 4 matrix choosing one of the following:

Likelihood

1. Rarely
2. Moderate
3. Likely
4. Almost certain

Impact

Impact is assessed against one of the following four headings. Again only one of the criteria within each of the headings applies.

1. Low
2. Medium
3. High
4. Extreme

2.3 The template also includes a 'Controls' column. Controls relate to the various checks and balances that the Council has in place to manage the risk. Their effect in mitigating risk is assessed to produce a 'net risk', which is again scored for 'likelihood' and 'impact' in the same way. The overall score is then calculated by multiplying the likelihood score by the impact score (e.g. 4 x 2 = 8). This score is then colour coded as follows:

RED	Score 8 – 16	- Levels of internal control are inadequate.
AMBER	Score 4 – 6	- Levels of internal control adequate.
GREEN	Score 1 – 3	- Levels of internal control strong and effective.

2.4 An Action Plan is then drawn up to improve controls were net risk remains high (viz. 'Red').

3. Work completed

3.1 A workshop with members of Corporate Board took place on 8 November 2005 where the strategic risks facing the Council were discussed and a risk register produced (Appendix 6(b)). A summary of the key Strategic Risks that were identified are set out below. (These Risks are Reds on a Net basis)

Risk	Controls
Increased unemployment & Benefit Claims	Economic Development strategy Community Strategy Social Inclusion
Major Disaster	Business Continuity Plan
Flu Pandemic	Immunisation Business Continuity Plan
Difficulty in attracting funding	MTFS External funding Gov Lobbying Service Planning
Ineffective Business Continuity Planning	Process currently underway
Waste PFI Project	Effective Project Plan Regular Monitoring Preferred bidder negotiations

These risks were included in the Corporate Plan and an allowance provided in the budget. The risks will be managed through Directorate Service Plans.

3.2 The Register is not meant to be a static document. Risk management is a continuous and developing process, which runs throughout the Council. The process that has been adopted in respect of strategic risk management at West Berkshire Council and which is reflected in the Strategy is as follows:

- The Strategic Risk Register now forms part of the Corporate Board agenda and is updated on a quarterly basis
- Annual review (and amendment as necessary) of the Council's Risk Management Policies and Strategy through Corporate Board and the Governance & Audit committee

- Review of business continuity plans – again this will be undertaken annually through Corporate Board;
- Quarterly monitoring report to Corporate Board which outlines the current position regarding risk management across the Council;
- Ensuring there is effective communication on risk management activities across the Council.
- Active involvement of Members through the Risk Management Joint Consultative Committee with specific training provided in the autumn of 2005
- Ensuring that resources are deployed to support the Risk Management Strategy and Action Plan through the policy led budget process

3.3 The Strategic Risk Register supports the Statement of Internal Control.

4. Further work

4.1 Following the completion of the Strategic Risk Register, an Action Plan needs to be completed. Various actions need to be identified. Where additional resources are required to implement the plan these are being fed into the 2006/07 budget process. They will also be included in next year's Service Plans.

4.2 A workshop will be provided for Management Board to keep Members informed of the process for the Strategic Risk Register and to enable Members to take ownership of the Strategy and the Risk Register.

4.3 The quarterly risk management reports for Corporate Board will include an update on the progress of the Action Plan.

4.4 The Risk Strategy and Risk Management Policy Statement will be reviewed in December 2005 and reported to The Executive.

4.5 Risk management workshops are taking place for the following key projects and these are reviewed on a three-month cycle.

The Waste PFI
Parkway
Market Street Redevelopment
Shaw House
Newtown Road Resource Centre

Appendices

Appendix 6(a) - Strategic Risk Register
Appendix 6(b) - Strategic Action Plan CB Key Risks

Consultation Responses

Local Stakeholders:	Not Consulted
Officers Consulted:	Corporate Board, Risk Management JCC
Trade Union:	None