Southend-on-Sea Borough Council

Report of Chief Executive & Town Clerk

to

Cabinet

on

22 September 2015

Report prepared by: Tim MacGregor, Team Manager - Policy & Information Management

Review of Council's Risk Management Policy, Strategy and toolkit

Relevant Scrutiny Committee(s): Policy & Resources Scrutiny Committee

Executive Councillor – Councillor Woodley

A Part 1 Public Agenda Item

1. Purpose of Report

1.1 To outline changes to the Council's Risk Management Policy, Strategy and Toolkit.

2. Recommendations

2.1 That Cabinet endorse the Council's risk policy, strategy and toolkit outlined at Appendix 1 and 2, following endorsement by Audit Committee on 24 June 2015.

3. Background

3.1 The Council's risk policy, strategy and toolkit was last formally reviewed in June 2010, putting in place an approach that adopted the Alarm National performance model for risk management. A review of the Council's approach has been undertaken by the senior officer Good Governance Group and the Corporate Management Team (CMT).

3.2 The policy and strategy, have, therefore, been reviewed and updated, to better align with changes to Council policy, structures and resources since 2010. The review found that while the overall approach to corporate risk is sound, some areas required updating and there was a need to more explicitly include the concepts of risk appetite and tolerance. The main points of note are:

3.1 Risk appetite and tolerance have been included to reflect a desire for the Council to increasingly focus on where it is prepared to take risks to achieve its objectives.

3.2 A simplified scoring system for the risk matrix has been included (see Appendix 4 of the toolkit).

3.3 The roles and responsibilities for groups and individuals (section 6 of the policy/strategy) have been updated.

3.4 A summary template for risks has been included at Appendix 6 of the toolkit, which can be used for service plans or other summary documents if required.

4.0 The current position in relation to the Council's approach to risk is that:
- The Corporate Risk Register (CRR) is reported to the Council's Corporate Management Team quarterly and Audit Committee every 6 months.
- Risk registers, following the format of the CRR, are included in Service Plans.
- Risk registers are included in major council project plans, and the risks monitored regularly, although the format may vary, depending on project requirements.
- High level risks are monitored as part of reports to Corporate Delivery and Capital Board.
- Risk is a standing item at CMT meetings, and is discussed regularly at Departmental Management Teams.
- Risk seminars and training has been undertaken over the last 18 months, for the Council's Senior Leadership Team (all Heads of Service and above) and staff with an interest in risk, particularly in relation to considering the levels of risk appetite and tolerance.
- The revised policy and toolkit has been discussed with Departmental Management Teams and all Public Health staff.

5.0 Audit Committee, reviewed and endorsed the revised policy, strategy and toolkit at its meeting on 24 June 2015. Cabinet is, therefore, asked to consider and endorse the revised policy, strategy and toolkit, prior to further dissemination across the Council.

6. **Other Options**
That are a large number of options in adopting a risk policy, strategy and toolkit. A root and branch overhaul is not recommended, however, to sustain continuity of approach and minimise disruption to processes.

7. **Reasons for Recommendation**
To update the Council's approach to risk management in the light of changes in Council officer structure and processes since 2010.

5. **Corporate Implications**

5.1 Contribution to Council's Vision & Corporate Priorities
The Corporate Assurance and Risk Framework underpins the operational effectiveness of the Council's Corporate Governance arrangements and helps the management of key risks associated with achieving the Council's Corporate Priorities. Reporting of progress against the Corporate Risk Register reinforces the effectiveness of these arrangements and further ensures that Corporate Priorities are delivered.

5.2 Financial Implications
The funding of risk management activities across the Council is generally contained within individual budgets. .

5.3 Legal Implications
None specific, but identified as part of the corporate and other risk registers.

5.4 People Implications
Failure to manage the corporate risks may have a major and potentially catastrophic impact upon the resources available to the Council and the ability to deliver identified aims and priorities.

5.5 Property Implications
None but identified as part of the corporate and other risk register.

5.6 Consultation
Consultation with Departmental Management Teams has been undertaken.

5.7 Equalities and Diversity Implications
There were no significant equality and diversity implications after initial screening.

5.8 Risk Assessment
The report is aimed to enhance the Council's ability to assess and manage risk in achieving its aims and priorities.

5.9 Value for Money
Effective forecasting and timely management of risk is a key factor in preventing waste, inefficiency and unnecessary or unplanned use of resource.

5.10 Community Safety Implications
None but identified as part of the Corporate Assurance and Risk Register.

5.11 Environmental Impact
None but identified as part of the corporate and other risk registers.

6. Background Papers

6.1 Corporate Risk Management Policy Statement and Strategy (2010)

6.2 Risk Management Toolkit (2009/10)

7. Appendices

Appendix 1 – Risk Management Policy Statement and Strategy 2015.

Appendix 2 – Risk Management Framework 2015.