

STRATEGIC RISK REGISTER

LEAD OFFICER: Chief Executive

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Recommendation: that the Committee comments on the attached draft Strategic Risk Register and recommends it for approval by the Executive.

1. BACKGROUND

Management of risks by organisations is key to achieving their objectives. In order to control risks, it is necessary to attempt to predict what risks may arise, so that appropriate measures can be put in place.

Although possible risks are identified, it does not mean that they will arise. By undertaking identification of risks, the organisation is taking the first steps in controlling them. The necessary measures can then be put in place to minimise the impact or likelihood of the risks arising.

Creation and maintenance of risk registers is part of the framework of corporate governance which organisations are expected to put in place.

2. ISSUES TO BE CONSIDERED

The Strategic Risk Register (attached at Appendix A) describes the Council's identified corporate and strategic risks and controls. Recent finalization of the Corporate Plan 2008-12 has been an opportunity to review the Council's Strategic Risk Register and ensure that the risks arising in delivering the Plan are mitigated. The Strategic Risk register is compiled in accordance with the Council's Risk Strategy.

Besides the Strategic Risk Register, the Council has operational risk registers managed by Corporate Team and the services. All the Council's Risk Registers are subject to regular review and updating. The CoValent system has a risk management module, in which information relating to the risk registers can be collated.

3. CORPORATE PLAN

The Strategic Risk Register contains risks that may impede delivery of objectives and targets in the Corporate Plan.

4. BENCHMARKING

Local authorities are expected to create and maintain risk registers.

5. PUBLIC CONSULTATION AND PUBLICITY

Not applicable.

6. CONCLUSION

The Audit Committee is asked to comment on and recommend to Executive the approval of the latest draft Strategic Risk Register attached at Appendix A.

List of Appendices

Draft Strategic Risk Register

List of Background Documents:

List of Consultees: Cllr C Giel, Corporate Team, Audit and Fraud Manager, Corporate Management Boards

STRATEGIC RISK REGISTER 2008-12
Economic Risks

| Id | Description | Impact score | Likelihood score | Total score | Target Impact score | Target Likelihood Score | Effect if risk occurs | Factors that may influence the likelihood of the risk occurring | Controls in place to deal with risk | Is risk controlled? | Owner |
|-----------|--|---------------------|-------------------------|--------------------|----------------------------|--------------------------------|---|---|---|----------------------------|-------------------------|
| All | Resources required by the Council to deliver its priorities are not available or not sustainable | 3 | 3 | 9 | 1 | 1 | Council priorities will not be delivered and improvements in quality of life for Copeland communities cannot be sustained | Government may not respond to requests for support; Council income may decline through national or regional economic factors; | Medium-term Financial Strategy in place. Lobbying and influencing with Govt. bodies; monitoring economic conditions | Yes | Chief Executive; |
| All | Delivery of Government initiatives may hamper delivery of local objectives | 2 | 2 | 4 | 1 | 1 | Local priorities will not be adequately resourced and quality of life for Copeland communities may not be achieved | Divergence of local and national priorities; clarity about what Council's priorities are | Monitor developments nationally and regionally and take opportunities to lobby and influence | Partly | Chief Executive |
| EL 1.1.10 | Energy Act could negatively affect the NDA | 2 | 1 | 2 | 1 | 1 | Economic and social decline | Uncertainty in Govt position on nuclear issues; West Cumbria might not benefit from investment in nuclear infrastructure | Lobbying | No | Director of Development |

Legislative Risks

| Id | Description | Impact score | Likelihood score | Total score | Target Impact score | Target Likelihood Score | Effect if risk occurs | Factors that may influence the likelihood of the risk occurring | Controls in place to deal with risk | Is risk controlled? | Owner |
|-----------|---|---------------------|-------------------------|--------------------|----------------------------|--------------------------------|---|---|---|----------------------------|---------------------------------------|
| EL1.1.9 | Change regarding the European Nuclear Industry will adversely effect the delivery of the Corporate Plan | 3 | 2 | 6 | 1 | 1 | Copeland's community may be disadvantaged through conflict between UK & EU nuclear policy | Lack of influence on EU policy | Maintain profile with UK Govt and MEP to seek beneficial arrangements | Partly | Director of Development |
| EL1.1.3 | Following implementation of Local Government and Public Involvement in Health Act, Council is unable to meet requirement for efficiencies | 2 | 2 | 4 | 1 | 1 | Efficiencies cannot be made requiring further budget cuts; shared services do not progress to deliver expected benefits | Agreement between partners; willingness to change; models for changed delivery; | CBC support for CLASB and CIEP to take forward shared services; "Searching for Best Value" policy agreed. Other strategic projects under way. | Partly | Chief Executive; S 151 Officer |
| All | Scale of legislative changes demands significant time and understanding | 2 | 2 | 4 | 1 | 1 | Delay in delivering local priorities while policy and procedure has to change | Rapidity and scale of change nationally and locally | Continue to fill vacant posts and make learning available as required | Partly | Head of Policy and Performance |
| EL1.1.2 | Failure to keep abreast with legislation | 3 | 1 | 3 | 1 | 1 | Copeland BC could be acting illegally or miss out on opportunities | Need for maintaining awareness of legislative change | Monitoring Officer and senior officers maintain level of knowledge; Legal send fortnightly update bulletin to staff. | Yes | Head of Legal and Democratic Services |

Partnership Risks

| Id | Description | Impact score | Likelihood score | Total score | Target Impact score | Target Likelihood Score | Effect if risk occurs | Factors that may influence the likelihood of the risk occurring | Controls in place to deal with risk | Is risk controlled? | Owner |
|----------------------------------|--|--------------|------------------|-------------|---------------------|-------------------------|--|---|--|---------------------|--|
| EL1.3.1 ;EL1.1.11; EL1.3.5 | Without its own clear strategic steer, CBC will not be able to influence strategic partner activity and delivery | 3 | 2 | 6 | 1 | 1 | Democratic accountability lost; community voice not reflected in plans. Adhoc and conflicting activities by different partnerships | Resource levels available to CBC and partner organisations Absence of some critical parts of strategic framework | Regeneration Strategy for Copeland; Develop response to WCSP and CSP. Develop employment strategy. Communicate strategic position. | Partly | Chief Executive |
| EL 1.3.3 | Partners and/or members may disengage or give low priority to delivering partnership aims | 3 | 2 | 6 | 1 | 1 | Partnerships may not have objectives which fully meet Council aims or may collapse, leaving unfinished work and debts | Understanding and engagement of partners | CBC leadership to maintain profile and influence. Closely monitor progress of partnership projects. | Partly | Head of Development Strategy |
| EL 1.1.3 | Politicians in Cumbria unable to implement enhanced two-tier working | 3 | 2 | 6 | 1 | 1 | Continuing lack of clarity and accountability for the public; efficiencies not realised | Lack of awareness of what and how to change. | Further development through CIEP priority projects; find good practice examples. Cumbria Shared Services Strategy. Locality working in Copeland and elsewhere in Cumbria to enhance cross-agency working | Partly | Chief Executive; Head of Policy and Performance |

| Id | Description | Impact score | Likelihood score | Total score | Target Impact score | Target Likelihood Score | Effect if risk occurs | Factors that may influence the likelihood of the risk occurring | Controls in place to deal with risk | Is risk controlled? | Owner |
|-----------|--|---------------------|-------------------------|--------------------|----------------------------|--------------------------------|--|--|---|----------------------------|--------------------------------|
| EL 3.4 | Inability to demonstrate impact of actions and progress against shared objectives when developing a performance management framework for partnership working | 2 | 2 | 4 | 1 | 1 | Achievements and progress are unmeasurable; external scrutiny eg CAA will be adverse | Updated guidance & good practice on partnership performance not fully available yet. | WCSP Performance Officers' Group & links to LAA | Partly | Head of Policy and Performance |
| AT 2.7.5 | The Council cannot control risks in some projects, where it acts as Accountable Body | 3 | 1 | 3 | 1 | | Projects fail to deliver or act illegally | Present willingness to act as Accountable Body to assist in obtaining grant funding | Create new protocols for cases where Council will act as Accountable Body | No | Head of Development Strategy |

Political Risks

| Id | Description | Impact score | Likelihood score | Total score | Target Impact score | Target Likelihood Score | Effect if risk occurs | Factors that may influence the likelihood of the risk occurring | Controls in place to deal with risk | Is risk controlled? | Owner |
|----------|---|--------------|------------------|-------------|---------------------|-------------------------|--|--|--|---------------------|---|
| EL1.1.7 | Poor inspection or audit results will damage the Council's reputation | 3 | 3 | 9 | 1 | 1 | Loss of credibility and/or trust. Possibility of legal challenge. Additional resources unnecessarily expended in dealing with problems | External standards of governance and performance are rising. Not keeping up with rising expectations due to lack of resources or knowledge | Training programme for managers and members. Taking up opportunities to keep abreast of developments. Fill vacant posts. | Partly | H of F & IT Head of Policy and Performance |
| EL 1.1.2 | CBC fails to get a fair deal out of delivery of Government policy on Nuclear Waste, WC Masterplan etc. | 3 | 2 | 6 | 1 | 1 | Economic decline is more intense or happens more quickly | Government will not work with Council on Nuclear issues, | Strong partnership working with stakeholders including Government; influencing and lobbying | Partly | Chief Executive |
| EL1.1.8 | Failure to comply with the standard when implementing the IDeAs ethnical governance framework (EF 1.08) – inspection regimes will highlight effect on financial resources | 3 | 2 | 6 | 1 | 1 | Loss of credibility and/or trust. Possibility of legal challenge. Additional resources unnecessarily expended in dealing with problems | Training for Members and Officers insufficient. Failure to review constitution. Imbalances in checks and balances within the constitution. Reporting or monitoring procedures not robust enough. | Training programmes. Annual review of constitution. Standards Committee reviews. Monitoring Officer/s.151 officer reporting. EGF Action Plan Confidential reporting code reviews | Yes | Head of Legal and Democratic Services |

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|-----|---|---|---|---|---|---|--|---|--|-----|--|
| All | Lack of resources or poor management affects ability to deliver on major strategies and plans | 3 | 2 | 6 | 3 | 1 | Failure to make improvements for the community; Loss of credibility and potential for Government | Ability to optimise the use of resources. | Frequent and rigorous monitoring of progress and resources available | Yes | Head of Finance & IT; Head of Policy and Performance |
|-----|---|---|---|---|---|---|--|---|--|-----|--|

Social Risks

| Id | Description | Impact score | Likelihood score | Total score | Target Impact score | Target Likelihood Score | Effect if risk occurs | Factors that may influence the likelihood of the risk occurring | Controls in place to deal with risk | Is risk controlled? | Owner |
|----------|---|--------------|------------------|-------------|---------------------|-------------------------|---|--|---|---------------------|------------------------------|
| AT 2.3 | The right skills are not available in the population to deliver objectives | 3 | 2 | 6 | 1 | 1 | Economic and social decline | Opportunities to reskill local population | Corp Plan objectives address skills shortages; working neighbourhoods fund | Partly | Head of Development Strategy |
| PP 3.1. | Anticipated economic restructure happens more quickly than forecast | 3 | 2 | 6 | 1 | 1 | Unbalanced population. Increase in older people and unemployed | Unemployment rises; housing market deteriorates; social cohesion not managed | Future Generation' Energy Coast; Cumbria plan for community cohesion | Partly | Director of Development |
| AT 2.5 | Customers may continue to find our services unsatisfactory | 3 | 2 | 6 | 2 | 2 | Customers continue to indicate dissatisfaction | Inability to change culture, practice and behaviours to improve customer focus | Customer First programme; need for training and communication improvements | No | Director for Quality of Life |
| PP 3.7.2 | New hospital does not come to Whitehaven | 2 | 2 | 4 | 1 | 1 | Hospital services are less accessible to communities, increasing disadvantage | Health Service planning and decisions taken remotely from Copeland | Lobbying and influencing activities including work with partners and the public | No | Director of Development |
| PP 3.1 | Change in employment position worsens social and economic position of communities, leading to greater demand for services | 2 | 1 | 2 | 1 | 1 | Increase in demand for public services | Local or national economic conditions; | Corp Plan objectives address skills shortages; | Partly | Head of Development Strategy |

Sustainability Risks

| Id | Description | Impact score | Likelihood score | Total score | Target Impact score | Target Likelihood Score | Effect if risk occurs | Factors that may influence the likelihood of the risk occurring | Controls in place to deal with risk | Is risk controlled? | Owner |
|----------|--|--------------|------------------|-------------|---------------------|-------------------------|--|--|---|---------------------|--|
| PP 3.3.4 | CBC fails to meet recycling targets and incurs financial penalties | 3 | 2 | 6 | 1 | 1 | Negative image and possible censure from external scrutineers. Financial loss to Cumbria PLC | Public's co-operation in raising recycling rates; continuing resources to invest in waste management | Cumbria Waste Strategy | Yes | Head of Leisure and Environmental Services |
| All | Statutory limit or revision of climate change/energy use impacts upon Council priorities | 2 | 3 | 6 | 1 | 1 | Inadequate measures put in place to slow climate change; Copeland BC is criticised for poor performance; | Resources for managing climate change in Copeland no longer available | Annual review of Corporate Plan; Need to revisit plans and priorities | No | Head of Devt Strategy |
| PP 3.4.4 | Conflict between environmental aims and economic ambitions | 2 | 2 | 4 | 1 | 1 | Long-term decline of quality of environment for short-term economic gain | Stern Report showed long-term negative economic impact from failure to take action | LDF Energy Coast Future Generations SCS | No | Head of Devt Strategy |
| PP 3.4.4 | A breach of environmental law prevents progress | 2 | 2 | 4 | 1 | 1 | Need to divert resources to rectify any breach | Systems approach needed to prevent breach in Council operations | Professional employees with knowledge of law | Partly | Head of Leisure and Environmental Services |

| Impact | | Likelihood | |
|--------|--------|------------|----------|
| 1 | Low | 1 | Unlikely |
| 2 | Medium | 2 | Possible |
| 3 | High | 3 | Likely |

