



AGENDA ITEM:

SUMMARY

Report for:	Resources Overview & Scrutiny
Date of meeting:	4 September 2012
PART:	1
If Part II, reason:	

Title of report:	Risk Management Report Q1 2012/2013
Contact:	Councillor Nick Tiley Portfolio Holder for Finance Resources Sally Marshall, Director Finance & Corporate Services Linda Dargue, Insurance & Risk Manager
Purpose of report:	(1) To provide the Q1 report on the Strategic Risk Register (2) To provide the Q1 report on the Operational Risk Registers
Recommendations	1. That the content of the report is noted and recommended to Cabinet for approval together with any associated comments.
Corporate objectives:	Dacorum Delivers – Risk management is an essential part of ensuring that the Council meets all of its objectives
Implications:	<u>Financial</u> None identified.
'Value For Money Implications'	<u>Value for Money</u> Risk management is closely linked to the Council's commitment to ensure that all resources are used efficiently and forms part of effective financial planning. The Council also needs to ensure that adequate provisions are in place to address anticipated risks but that these are no greater than necessary so that maximum resources are applied to services as required. To this end the Council sets minimum target working balances for both the general fund and HRA and at the date of this report this minimum balances are secured. Budget exercises for 2011/12 have ensured that the minimum balance requirements will also be met for the next financial year.

Risk Implications	Effective risk management is an important factor in all policymaking, planning and decision making. Failure to manage risk effectively could have serious consequences for the Council leading to increased costs, wasted resources, prosecution and criticism under external assessments
Equalities Implications	Not applicable
Health And Safety Implications	Not applicable
Consultees:	CMT
Background papers:	Risk Management working paper files Report to CMT 21 August 2012

BACKGROUND

1. The revised Strategic Risk register showing the position at the end of Q1 is attached at Appendix A for ease of reference. The table below shows the changes in risk scores from quarter 4 2011/12.

Risk	Q4 11/12	Q1 12/13
F1 –Resource base affected by slow recovery from recession resulting in lack of funds to deliver in commitments and policies	4	4
F2 – Lack of effective procurement and contract management	6	6
F3 – Failure to achieve identified savings to ensure that the budget remains balanced	4	4
F4 – Impact of failure to effectively plan for self financing	3	Removed as completed 28/3/12
I2 – Failure to effectively manage health and safety	8	4
M1 – Failure to deliver required regeneration and economic growth	9	9
M2 – Failure to shape services based on robust understanding of customer’s needs	4	4
M4 – Failure to achieve efficiencies and improvements through alternative service delivery	6	Deleted

models		
R1 – Failure to align political aspirations for service delivery with budget pressures	3	3
R2 – Failure to respond to the opportunities presented by the Localism Bill	8	8

- The wording of M1 'Failure to plan for growth and change in the Borough and to deliver required growth and regeneration,' has been amended to better reflect the present position.
- A number of documents have been uploaded into CorVu. These provide evidence as to the management of the individual risks and enable users of the risk registers, including scrutiny committee members, to follow up issues that they are seeking to address.
- The Operational Risk Registers were first included in CorVu reports with effect from Quarter 3. The table below shows any changes in the risk scores for the significant risks between quarter 4 of 2011/2012 and quarter 1 of 2012/2013. In addition it shows completed risks that have now been removed from the current versions of the risk registers together with newly identified risks in some areas. Significant risks are those with a risk rating of 12 or more.

Risk	Resp Off	Q4	Q1
FR F04 – Under spends against budgets	SF	12	6
LDR M01 – New – Failure to reach our most vulnerable citizens, in particular the elderly and disabled , in the provision of housing assistance (i.e. grant aid and loan schemes)	SB	-	6
LDR M02 – New – Failure of Council Staff and Members to understand and embrace localism	SB	-	6
LDR M03 – New – Failure to prepare policy and strategy around Localism	SB	-	6
HL I01 – Failure to achieve headline service objectives	EB	4	Removed
HL I02 – Failure to adapt to , understand and influence the Council's response to the Localism Bill	EB	8	Removed
HL F01 – New - Failure to closely monitor operational and financial factors affecting the delivery of the HRA business plan	EB	-	2
HL R01 – New - Failure to adapt to the new regulatory frameworks and requirements for tenant scrutiny	EB	-	3
HL R02 – New - Failure to deliver key milestones on time within Housing Repairs, Maintenance and Improvement Procurement Project	EB	-	4
PDR F01 – Market fails to bring forward because of continuing economic uncertainty	JD	12	12
PDR F03 – Key income streams do not meet planning fees, building regulations and local land charges income budgets	JD	12	12

- A number of the other lower scored risks have had their risk ratings reduced reflecting the effects of the actions that have been taken to mitigate these risks.

6. As previously advised beginning in September the Operational Risk Registers will be presented to the relevant Overview and Scrutiny committee by the responsible Assistant Director. This will encourage increased awareness of risk to Members. The overall risk report will continue to be presented to Resources and Overview Scrutiny Committee and Cabinet.