

STRATEGIC RISK REGISTER

1. INTRODUCTION

- 1.1 In February 2009 Cabinet adopted a new risk management framework to more consciously record and manage the significant risks to the organisation achieving its objectives.
- 1.2 This new framework and the advent of the new Corporate Plan necessitated a review of the corporate business risks to the Council.
- 1.3 This report presents the Council's new Strategic Risk Register (Appendix 1) for adoption in line with discussions between Cabinet and the Executive Management Team.

2. STRATEGIC RISK REGISTER

- 2.1 The Strategic Risk Register reflects the threats and opportunities to the achievement of the medium to long term objectives of 'Leading our Forest Communities'. Due to the nature of this longer timeframe and the recognition that these risks need to be owned at a corporate level, it has been structured around the corporate key themes. The more service based aims are captured in the Service Risk Registers.
- 2.2 The gross risks to the achievement of the key themes have been identified and assessed for their likelihood and impact and assigned a risk score. An assessment is then made of the current control processes and mitigations that are in place which leads to an assessment of the residual risk which remains. High risks are denoted in red. The only residual high risk identified is the inability of the Council to control external factors impacting upon the Carbon footprint of the District. Ownership for managing each risk lies with the Portfolio Holder and Executive Management Team member with responsibility for the achievement of the particular key theme.
- 2.3 The Register is one of a suite of registers that contain the significant business risks to the Council achieving its objectives at a Corporate and Service level. It is a living document and will be regularly reviewed and updated to reflect the changing status of the risks contained within it.
- 2.4 High strategic risks will be reported annually to Cabinet and Corporate Overview Panel as part of the annual Performance Report.

3. FINANCIAL IMPLICATIONS

- 3.1 Although there are no direct financial implications arising from this report 'Managing our finances' is a key theme within the Corporate Plan and the risks to the achievement of this objective will be managed accordingly.

4. EQUALITY AND DIVERSITY IMPLICATIONS

- 4.1 In reflection of its significance to the organisation 'Improving the ease and equality of access' is a key theme within the Corporate Plan and the risks associated with its achievement will be managed accordingly.

5. ENVIRONMENTAL IMPLICATIONS

- 5.1 The elimination or management of risks associated with the key theme of 'working to reduce the carbon footprint of the Council and the district' will have a positive environmental impact.

6. CRIME AND DISORDER IMPLICATIONS

- 6.1 There are no direct implications arising from this report.

7. PORTFOLIO HOLDER COMMENTS

- 7.1 The Portfolio Holder supports the adoption of the Strategic Risk Register which he sees as a proportionate response to a review of the Council's strategic risks as reflected within the Council's Corporate Plan. He is pleased that the register highlights the Council's ongoing achievement in managing the risks identified.

8. RECOMMENDATIONS

- 8.1 That the Council be recommended to agree to the adoption of the Strategic Risk Register as attached at Appendix 1 to this Report.

For Further Information Please Contact:

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Background Papers

Risk Management Strategy - Cabinet
4 February 2009

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Key Theme: Managing our Finances

Risk No	Gross Risk			Risk	Example Consequences	Desired Outcome	Control Processes/Mitigation	Residual Risk			Risk Owner
	Likelihood	Impact	Risk Score					Likelihood	Impact	Risk Score	
1(SR)	3	4	12	Major Reduction In Income Risk that a major reduction in income as a result of capping, reduction in grant funding, reduced collection through fees and charges or as a consequence of global economic events results in an inability to deliver aims and objectives.	<ul style="list-style-type: none"> Resources diverted Performance undermined Financial implications Performance undermined 	Our aims delivered Excellence is achieved without undue costs to the taxpayer	<ul style="list-style-type: none"> Expenditure Planning Financial Strategy (inc. Efficiency and Savings Strategy) Level of Reserves Regular Budget Monitoring 	3	2	6	Portfolio Holder - Finance & Efficiency B Jackson
2(SR)	2	4	8	Major Unforeseen Expenditure Risk that the Council incurs major unforeseen expenditure resulting in a redirection of funds and an ability to deliver aims and objectives.	<ul style="list-style-type: none"> Resources diverted Performance undermined Financial implications 	Our aims delivered Excellence is achieved without undue costs to the taxpayer	<ul style="list-style-type: none"> Level of Reserves Adequate Insurance Internal Control 	1	3	3	Portfolio Holder - Finance & Efficiency B Jackson
3(SR)	3	3	9	Poor Financial Management Risk that poor financial management could result in financial losses including fraud and/or be detrimental to the reputation of the Council	<ul style="list-style-type: none"> Fraud Misappropriation Financial losses Impact on Council Tax Significant financial error Qualification of Accounts 	Our aims delivered Excellence is achieved without undue costs to the taxpayer	<ul style="list-style-type: none"> Internal control processes Whistle blowing policy Financial Regulations Training Reconciliations Regular Audit of 	1	2	2	Portfolio Holder - Finance & Efficiency B Jackson

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				<ul style="list-style-type: none"> • Failure to achieve a balanced budget • Over/Under Spends • Poor inspection reports 		<ul style="list-style-type: none"> - Financial Systems - Level of Reserves 			
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Key Theme: Maintaining Excellent Performance and Improving Effectiveness and Efficiency

Risk No	Gross Risk			Risk	Example Consequences	Desired Outcome	Control Processes/Mitigation	Residual Risk			Risk Owner
	Likelihood	Impact	Risk Score					Likelihood	Impact	Risk Score	
4(SR)	3	4	12	<p>Insufficient or Poorly Managed Resources</p> <p>Risk that the Council invests insufficient resources including people, money and assets or poorly manages these resources to achieve its objectives which results in a failure to maintain excellent performance or improve effectiveness and efficiency</p>	<ul style="list-style-type: none"> • Performance undermined • Poor Use of Resources Score • Poor VFM / outcomes for residents / users • CAA results – potential intervention measures • Increased costs • Impact on Council Tax • Council not learning from previous experience • Poor decision making 	Performance of key priority services and other key areas identified by the public maintained or improved	<ul style="list-style-type: none"> - Portfolio Plans linking performance with resources - Service Plans - Regular performance reports - Regular performance monitoring and review - Risk and performance management aligned in all strategic processes and documents - Annual Report 	2	3	6	<p>Portfolio Holder – Policy & Resources</p> <p>(Portfolio Holder – Finance & Efficiency)</p> <p>B Jackson</p>
5(SR)	3	3	9	<p>Inadequate Medium Term Resource Plan</p>	<ul style="list-style-type: none"> • Performance 	Performance of key	<ul style="list-style-type: none"> - Portfolio Plans - Financial Strategy 	1	3	3	Portfolio Holder –

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				<p>Risk that the medium term resource plan is inadequately focussed to deliver the Council's priorities</p>	<ul style="list-style-type: none"> undermined Clarity on delivery 	<p>priority services and other key areas identified by the public maintained or improved</p>	<p>(inc. Efficiency and Savings Strategy</p> <ul style="list-style-type: none"> - Annual Report - Asset Management Plan - Workforce Plan - Risk Management arrangements (Strategic Risk Register) - Budget Monitoring - Corporate Plan 				<p>Policy & Resources</p> <p>(Portfolio Holder – Finance & Efficiency)</p> <p>B Jackson</p>
6(SR)	3	4	12	<p>Inappropriate Management/Organisation to deliver Council Objectives</p> <p>Risk that organisation not aligned with and focussed on objectives resulting in poor decision making and inadequate governance arrangements</p>	<ul style="list-style-type: none"> Performance undermined Objectives not understood Objectives not met Reputation declines Political fall-out 	<p>Performance of key priority services and other key areas identified by the public maintained or improved</p>	<ul style="list-style-type: none"> - Constitution - Code of Corporate Governance - Adopted policies - Restructure - Communications policy - HR Policies 	1	3	3	<p>Portfolio Holder – Policy & Resources</p> <p>(Portfolio Holder – Finance & Efficiency)</p> <p>B Jackson</p>
7(SR)	3	4	12	<p>Poor Image and Reputation including negative External Scrutiny (CAA)</p> <p>Risk that the Council fails to maintain its high general reputation with residents, the Community and the wider Local Government Community through external inspection and verification</p>	<ul style="list-style-type: none"> Reputation declines Negative impact on morale Political fall-out 	<p>Performance of key priority services and other key areas identified by the public maintained or improved</p>	<ul style="list-style-type: none"> - Performance a key theme in the Corporate Plan - Portfolio Holder for Finance & Efficiency - Performance Management Framework - Investment in consultation and engagement 	2	3	6	<p>Portfolio Holder – Policy & Resources</p> <p>(Portfolio Holder – Finance & Efficiency)</p> <p>B Jackson</p>

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				e.g. CAA, IIP, Equalities and other measures e.g. resident satisfaction levels			- Communications policy - Equalities Standard			
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Key Theme: Managing our Assets including Exploring the Scope for One Site Administration

Risk No	Gross Risk			Risk	Example Consequences	Desired Outcome	Control Processes/Mitigation	Residual Risk			Risk Owner
	Likelihood	Impact	Risk Score					Likelihood	Impact	Risk Score	
8(SR)	4	3	12	Assets Not Maximised Risk that the Council fails to adequately manage it's assets through the absence of clarity and/or commitment to the Asset Management Plan	<ul style="list-style-type: none"> Financial losses Adverse impact on service delivery Reputation undermined Poorly managed resources Inaccurate records 	Aims delivered Assets are optimised in their use	<ul style="list-style-type: none"> Agreed strategy Asset Management Group New organisational structure HRA Business Plan HRA Asset Management Plan Corporate Asset Management Plan 	2	3	6	Portfolio Holder – Finance & Efficiency Portfolio Holder - Housing J Mascall
9(SR)	1	4	4	Inefficient Use of Assets by failure to explore options for One Site Administration Risk that the Council fails to explore the opportunities for one site administration leading to major assets not being maximised For project risks see Project Risk Register	<ul style="list-style-type: none"> Reputation declines Negative impact on morale Political fall-out Failure of Project 	Aims delivered Assets are optimised in their use	<ul style="list-style-type: none"> Project Board Project Team Partnership Working Project Risk Register 	1	3	3	Portfolio Holder – Finance & Efficiency Portfolio Holder - Housing J Mascall

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Key Theme: Working to Reduce the Carbon Footprint of the Council and the District

Risk No	Gross Risk			Risk	Example Consequences	Desired Outcome	Control Processes/Mitigation	Residual Risk			Risk Owner
	Likelihood	Impact	Risk Score					Likelihood	Impact	Risk Score	
10(SR)	4	4	16	Lack of Commitment Risk that a lack of commitment will negatively impact the achievement of the Council's objectives and that a lack of demonstrable leadership to reduce the carbon footprint of the Council will in turn impact on the efforts for reduction in the wider community	<ul style="list-style-type: none"> Insufficient resources invested Confidence in, and reputation of, the Council undermined Opportunities missed to demonstrate community leadership Failure to meet Government targets Need to adapt to changing environmental, social and economic conditions Future financial penalties including Carbon Trading deficit 	Reduction of the Carbon Footprint of the Council and the District	<ul style="list-style-type: none"> Green Audit Good internal communication Member/Officer training Officer/Member post Green Audit implementation plan Nottingham declaration 	2	4	8	Portfolio Holder - Environment J Mascall
11(SR)	3	3	9	Failure to Meet Council and Government Targets Risk that the Council fails to	<ul style="list-style-type: none"> As above 	Reduction of the Carbon Footprint of the Council	<ul style="list-style-type: none"> Green Audit Performance Management focus 	2	3	6	Portfolio Holder - Environment

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				meet the targets set for reduction of the carbon footprint of the Council		and the District	- Building Co2 into decision making				J Mascall
12(SR)	4	4	16	Inability to Control External Factors Risk that the Council fails to achieve targets through its inability to control external factors and other agencies including a lack of external commitment	<ul style="list-style-type: none"> As above 	Reduction of the Carbon Footprint of the Council and the District	<ul style="list-style-type: none"> Green Audit Performance Management Focus Partnership development External communication Cross boundary working including across Hampshire Cross sector working including major industries on the Waterside 	3	4	12	Portfolio Holder – Environment J Mascall

Key Theme: Leading and Enhancing Local Partnerships including the Local Strategic Partnership

Risk No	Gross Risk			Risk	Example Consequences	Desired Outcome	Control Processes/Mitigation	Residual Risk			Risk Owner
	Likelihood	Impact	Risk Score					Likelihood	Impact	Risk Score	
13(SR)	3	3	9	Failure to Achieve Joint Outcomes Risk that anticipated joint outcomes are not achieved as a result of failure to define or lack of commitment	<ul style="list-style-type: none"> Financial losses Resources misdirected Resources wasted Reputation undermined Political fall-out Not achieving agreed community 	Maximised local outcomes delivering improved value for money	<ul style="list-style-type: none"> Local Strategic Partnership – operation & development Corporate Partnership Register Partnership Self Assessments Sustainable Community Strategy (SCS) – 	2	3	6	Portfolio Holder – Policy & Resources D Yates

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					<ul style="list-style-type: none"> outcomes Failure to deliver SCS / Local Area Agreement (LAA) 		<ul style="list-style-type: none"> profile & delivery Promotion of benefits of partnership working LAA profile & delivery 				
14(SR)	3	3	9	<p>Inadequate Partnership Governance Arrangements</p> <p>Risk that the partnership is poorly defined and constituted leading to an inability to deliver its objectives or it being democratically deficient</p>	<ul style="list-style-type: none"> Lack of Accountability Lack of democratically made decisions Partnership failure Objectives not met Financial losses Resources wasted Reputation undermined 	Maximised local outcomes delivering improved value for money	<ul style="list-style-type: none"> Corporate Partnership Register Partnership Self Assessments 	2	3	6	<p>Portfolio Holder – Policy & Resources</p> <p>D Yates</p>

Key Theme: Engaging Local People and Communities in All We Do

Risk No	Gross Risk			Risk	Example Consequences	Desired Outcome	Control Processes/Mitigation	Residual Risk			Risk Owner
	Likelihood	Impact	Risk Score					Likelihood	Impact	Risk Score	
15(SR)	3	4	12	<p>Engagement not Representative</p> <p>Risk that the engagement is not representative leading to deficiencies of views from the wider population and impacting on diversity and</p>	<ul style="list-style-type: none"> Objectives not met Services delivery fails to meet the needs of the public 	A public which is listened to	<ul style="list-style-type: none"> Community engagement framework Consultation guidance and policy Operation & development of: 	2	4	8	<p>Portfolio Holder – Policy & Resources</p> <p>D Yates</p>

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				equality			<ul style="list-style-type: none"> - Citizens Panel - Young Peoples Panel - Youth Website - Forest Thoughts - Corporate input into services – expertise & guidance - Parish Plans - Market Towns Health Checks 				
16(SR)	3	4	12	<p>Not Making Use of The Best Available Methods to Engage or Consulting on the Right Issues</p> <p>Risk that failure to manage which issues the Council consults on and a failure to recognise the most appropriate medium for the consultation will result in apathy from the wider public and a lack of representative responses</p>	<ul style="list-style-type: none"> • Objectives not met • Insufficient knowledge of the publics expectations • Service delivery not in line with expectations • Poor decision making 	A public which is listened to	- As above	2	4	8	<p>Portfolio Holder – Policy & Resources</p> <p>D Yates</p>
17(SR)	3	4	12	<p>Engagement Results in Disillusionment</p> <p>Risk that consultation will result in unrealistic expectations that are unable to be met</p>	<ul style="list-style-type: none"> • Expectations not satisfied • Customer satisfaction declines 	A public which is listened to	- As above	2	4	8	<p>Portfolio Holder – Policy & Resources</p> <p>D Yates</p>

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Key Theme: Improving the Ease and Equality of Access to Public Services of all our Customers and Citizens

Risk No	Gross Risk			Risk	Example Consequences	Desired Outcome	Control Processes/Mitigation	Residual Risk			Risk Owner
	Likelihood	Impact	Risk Score					Likelihood	Impact	Risk Score	
18(SR)	2	4	8	Lack of Commitment Risk that a lack of Service commitment for joined up approaches will result in a failure to achieve the objective	<ul style="list-style-type: none"> Objectives not met Service delivery not in line with expectations Discrimination 	Better quality and more joined up customer services	<ul style="list-style-type: none"> Contact Centre Website development 3 year scheduled audit of Council's buildings Programme of DDA adaptations to buildings Equality Impact Assessments for services and all new policy changes and projects 	2	3	6	Portfolio Holder – Policy & Resources D Yates
19(SR)	3	4	12	Failure to Achieve Right First Time Targets Risk that avoidable contact targets will fail to be met	<ul style="list-style-type: none"> Objective not met 	Getting it Right First Time for our residents, customers and clients	<ul style="list-style-type: none"> Target not yet set but early work being undertaken to identify activities New website 	2	4	8	Portfolio Holder – Policy & Resources D Yates
20(SR)	4	4	12	Government Code of Connection Risk that failure to comply with the Government Code of Connection for restricted data will result in the	<ul style="list-style-type: none"> Disruption and adverse impact on service delivery Welfare impact of benefit claims not being 	Compliance with government standard Interruption to service delivery	<ul style="list-style-type: none"> Network scenario informally agreed Plans in place to upgrade remote access solution Purchase and installation of 	2	3	6	Portfolio Holder – Policy & Resources D Yates

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				Council being unable to access information vital to the effective operation of the Tax & Benefit Service	processed	avoided	dedicated email network - Budget identified				
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