

REPORT FOR: **CABINET**

Date of Meeting:	14 February 2013
Subject:	2013-14 Council Statement of Risk Appetite
Key Decision:	No
Responsible Officer:	Tom Whiting, Assistant Chief Executive Julie Alderson, Corporate Director of Resources
Portfolio Holder:	Councillor Graham Henson, Portfolio Holder for Performance, Customer Services and Corporate Services
Exempt:	No
Decision subject to Call-in:	Yes
Enclosures:	Appendix – The 2013-14 Council Statement of Risk Appetite

Section 1 – Summary and Recommendations

The Cabinet recognises and fulfils its responsibilities for good corporate governance at the Council. This includes determining the nature and the extent of the significant risks it is willing to take to achieve its strategic vision and also to ensure that these risks are properly and fully disclosed to Council stakeholders.

Recommendations:

Cabinet is requested to:

- Approve the 2013-14 Council Statement of Risk Appetite (enclosed at the Appendix)

Reason: (For recommendation)

To ensure the Council complies with good professional practice and in support to the aims and objectives of the Chartered Institute of Public Finance (CIPFA) Solace Good Governance Guide 2012.

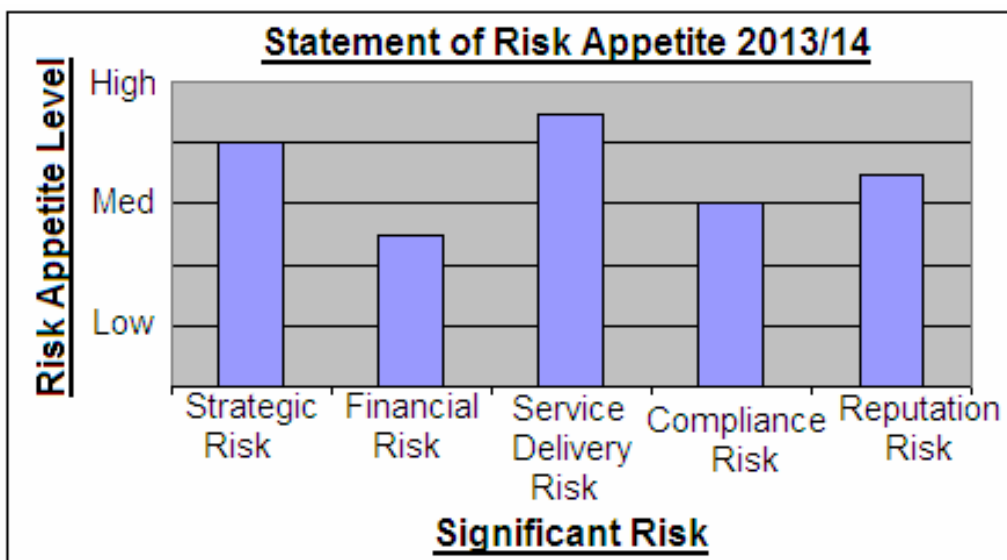
Section 2 – Report

Introduction

- 2.1 This report sets out the 2013-14 Statement of Risk Appetite for approval by the Cabinet on behalf of the Council. The Statement of Risk Appetite seeks to ensure that stakeholders are fully aware of the level and quantity of risk exposure being carried by the organisation (in which they have an interest) in pursuing its strategic objectives and for this risk exposure to be fully communicated to them, eg by alignment to the Council’s strategic vision and the annual governance statement (AGS).

Current Situation

- 2.2 This is the second year that the Council has prepared a risk appetite statement
- 2.3 During 2013-14 the Council will overall take fair, measured and targeted levels of risk to achieve its vision Working Together; Our Harrow, Our Community. It will be innovative and will consider all potential business and service options choosing those options in risk terms that are most likely to result in successful delivery (particularly a visible increase in the level and quality of services to our residents) but at the same time will provide an acceptable level of return to the Council, a reduction in its operating costs and in the generation of target savings, efficiencies and economies of scale as required by the current climate of financial prudence in local government.
- 2.4 The Council’s appetite for its key risks can be shown graphically below:-



- 2.4 Further to the above diagram, the Council will in the main in 2013-14 take medium and additional targeted higher levels of risk in order to achieve its strategic objectives within its available resources.
- 2.5 Where significant risks arise the Council and its officers will take effective control action to mitigate these risks to minimal and safe levels of exposure for stakeholders.
- 2.6 Please see the Appendix for the full detailed Statement.

Implications of the Recommendation

- 2.7 Approval of the Statement ensures the Council continues to apply the principles of good corporate governance and relevant best professional practice in this area.

Financial Implications

- 2.8 The Risk Management function is undertaken within existing budgets.

Performance Issues

- 2.9 Performance management and risk management are closely linked and both have collaborated closely in the production of this Statement and do so generally in the support all services in the delivery of their services.

Environmental Impact

- 2.10 None

Risk Management Implications

- 2.11 Should the recommendation not be accepted, there is a risk that the Council will not clearly define for Members and officers respectively the Council's requirements for the management of its key and significant risks and the Council's Statement of Risk Appetite and related guidance (such as the Risk Management strategy) will not continue to align with best professional practice.

Equalities implications

- 2.12 An equalities impact assessment has been undertaken and is attached below and no adverse equalities implications have been identified.

Corporate Priorities

- 2.13 The Statement of Risk Appetite supports the achievement and delivery of all of the Council's corporate priorities and also the vision it set out in Working Together; Our Harrow, Our Community

Section 3 - Statutory Officer Clearance

Name: Steve Tingle	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date: 23 January 2013		
Name: Jessica Farmer	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 22 January 2013		

Section 4 – Performance Officer Clearance

Name: David Harrington	<input checked="" type="checkbox"/>	on behalf of the Divisional Director Strategic Commissioning
Date: 22 January 2013		

Section 5 – Environmental Impact Officer Clearance

Name: 16 Andrew Baker	<input checked="" type="checkbox"/>	on behalf of the Divisional Director (Environmental Services)
Date: 17 January 2013		

Section 6 - Contact Details and Background Papers

Contact: Neale Burns, Interim Risk Manager, Ext 8391

Background Papers: Equalities Impact Assessment

Call-In Waived by the Chairman of Overview and Scrutiny Committee	NOT APPLICABLE <i>[Call-in applies]</i>
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