

Meeting:	Cabinet
Date:	17 th September 2009
Subject:	Risk Management
Key Decision	Yes
Responsible Officer:	Myfanwy Barrett
Portfolio Holder:	Councillor David Ashton
Exempt	No
Enclosures:	Appendix 1– Risk Management Strategy

SECTION 1 – SUMMARY AND RECOMMENDATIONS

SUMMARY

Cabinet is the main body for governance with respect to risk management. The Governance, Audit and Risk Committee (GARM) has a monitoring role. This report sets out the current position with regard to risk management within Harrow Council and seeks approval for the associated strategy.

RECOMMENDATIONS:

Cabinet are asked to:

1. note the current risk management position
2. review and approve the Risk Management Strategy/Policy for 2009/10.

REASON:

To ensure Cabinet is aware of the progress being made in Risk Management and the further long and short term activities planned which form the Risk Management Strategy.

SECTION 2 - REPORT

2.1 Introductory Paragraph

Risk Management is progressing well and is being embedded down the organisation from the senior management team. The enhancing of risk management is a key strand in the wider Council Improvement programme, as well as playing a vital role in the annual Use of Resources assessment. This report outlines the key progress made in 2008/09 and some key initiatives planned for 2009/2010 that will assist in meeting internal and external drivers, as well as adding value to the running of the Council through effective risk management.

Key achievements during 2008/09 were:

- The reformation of the Corporate Risk Steering Group (CRSG) in December 2008. The group has to date carried out work around the embedding of risk management at service level and challenging the Corporate Operational Risk Register.
- Enhanced the strategic risk register process by splitting high level risks into a forward-looking 'bow-tie' register and a more operational risks/issues log. This has allowed Corporate Strategy Board (CSB) to assess in greater detail the causes and consequences of key strategic risks.
- 83 out of 92 Cabinet reports since June 2008 have included the Risk Management Implications' section and given Members visibility of the risks to any decisions they are being required to make.
- Presenting of the strategic risk process to the Leadership Group in May 2008, with positive feedback from Members and a commitment to work more closely going forward.

Key developments that are planned for 2009/10 include:

- Continued support in the preparation for the Comprehensive Area Assessment (CAA), with the introduction of a partnership risk register by April 2010.
- Work to address gaps in the Use of Resources assessment to feed into the new assessment framework.
- Embedding and streamlining risk and opportunity management at the core of the new Transformation Programme.
- Inclusion of Leadership Group Members in the strategic risk process.
- Frequent risk review and challenge by the Corporate Risk Steering Group.
- The introduction of a 'quickly emerging risk process' to the Council.
- Further development of the strategic risk process following the successful launch of the risk bowties.

2.2 - Risk Management Strategy

Progress against the existing strategy has gone well, Cabinet are asked to review and endorse the new strategy. The main changes for 2009 are:

- Specific short and long term goals for risk management at the Council.
- Visual demonstrations of risk management processes included in the policy.
- Corporate Risk Steering Group terms of reference for 2009, including group members.
- Amalgamation of strategy and policy into one document, although there remains a clear distinction between the two.

2.3 - Corporate Risk Management Steering Group

This group reformed in December 2008 and terms of reference were agreed in January 2009. The group is chaired by the Assistant Chief Executive and consists of representatives from key areas in the Council, including the Risk Champions from each Directorate. To date the group have carried out some excellent work in a short space of time, including the assessment of the delivery planning/risk management arrangements across the Council with the identification of gaps that require further work. They have also commenced work on the development of a 'quickly emerging risk process' and have undertaken a review of the Council's corporate operational risk register and associated controls. This process has proved very useful in testing the controls around the Council's key risks and offering challenge to the Corporate Strategy Board (CSB) The terms of reference for the group can be found as an appendix to the strategy document.

2.4 - Strategic Risk Register

The Strategic Risk Register has been reviewed quarterly since the last annual risk management report and in October 2008, CSB agreed to split the register between forward-looking strategic risks and operational high level issues. The registers get reviewed at one to one meetings with Corporate Directors and any changes are endorsed at the quarterly CSB Performance mornings. This is also the mechanism for obtaining agreement for risk management developments and for showing the links between the high level Strategic registers and the Directorate level registers that get reviewed at their respective improvement boards. From September 2009 onwards, CSB have agreed to discuss in detail 2 of the 8 strategic risks at their performance mornings quarterly and have committed a Corporate Director to each of the risks to ensure efficient ownership.

2.5 - Comprehensive Area Assessment

Risk Management is an integral part of the Comprehensive Area Assessment (CAA), both from a Use of Resources rating perspective and in relation to the implementation of the area assessment. A key requirement of the Use of Resources assessment is around risk management for partnerships. Work has commenced on ensuring our partnership's arrangements are robust and efficient.

In particular, the Risk Management Team have met with the Chairs of the management groups within the Harrow Strategic Partnership to discuss the approach to embed risk management. A report outlining this was approved by Harrow Chief Executives in July for the facilitation of five risk/opportunity workshops for the different management groups, followed by a findings presentation to the Partnership Board. The Risk Management Team have also had input to the self-evaluation for the Area Assessment to ensure any challenges and issues were raised at the initial stage.

2.6 - Cabinet/Committee reports – risk management implications

While we have had a good success rate to date of inclusion of the 'risk management implications' sections in Cabinet reports, closer monitoring of content has informed the team that the quality is not as consistent as it could be. Further work/training will commence in 2009/10 to ensure that Members are being given full visibility of the risks around their decision-making, while being suitably equipped with the necessary information and facts to take calculated risk.

2.7 - Training

Risk Management remains a module in the Manager's Induction and risk management information forms part of the general staff induction pack. The annual training session for Members will take place in September 2009.

Financial Implications

No financial implications are associated with this report.

Performance Issues

The Use of Resources assessment previously assessed how well Councils manage and use their financial resources. For 2009, this assessment has been expanded and now considers areas around organisational effectiveness, not just the management and use of financial resources. Risk Management is a key element feeding into financial planning as well as how the Council uses effective risk management processes to determine its delivery priorities.

In terms of general performance, stronger more effective risk management should enable the Council to make more effective operational decisions around performance levels and targets, which should lead to better overall performance within the Council, As more and more performance targets become partnership driven, the establishment of more integrated risk management across the Harrow Strategic Partnership will also become of greater priority (see section 2.5 as well).

Environmental Impact

No environmental impact associated with this report.

Risk Management Implications

There are no risks to the Council in agreeing the proposals in this report.

Should the recommendations in this report not be approved, there is the risk of ultimately failing to meet criteria for the Use of Resources, one of which is ensuring annual review of the risk management strategy.

SECTION 3 - STATUTORY OFFICER CLEARANCE

Name: Myfanwy Barrett	<input checked="" type="checkbox"/>	Chief Financial Officer
Date: 29 th June 2009		
Name: Paresh Mehta	<input checked="" type="checkbox"/>	on behalf of the* Monitoring Officer
Date: 24 th August 2009		

SECTION 4 – PERFORMANCE OFFICER CLEARANCE

Name: Alex Dewsnap	<input checked="" type="checkbox"/>	Divisional Director (Strategy and Improvement)
Date: 19 th August 2009		

SECTION 5 – ENVIRONMENTAL IMPACT OFFICER CLEARANCE

Name: John Edwards	<input checked="" type="checkbox"/>	Divisional Director (Environmental Services)
Date: 26 th August 2009		

Section 6 - CONTACT DETAILS AND BACKGROUND PAPERS

Contact:

Paul Williams - Occupational Health, Safety and Risk Service Manager x2362

Background Papers:

Appendix 1: Risk Management Strategy