

**PAPER NO. 5**

**REPORT TO THE EXECUTIVE MEETING OF 15 JANUARY 2018**

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**Meeting:** Executive

**Date:** 15 January 2018

**Subject:** Risk and Opportunity Management Framework

**Report of:** S. Riley, Head of Finance and Corporate Services and  
Section 151 Officer

**Portfolio Holder:** Councillor Hadkiss, Corporate Governance

**Status:** For Approval

**Relevant Ward(s):** N/A

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1 Purpose of the Report

1.1 For the Executive to consider the appended Risk and Opportunity Management Framework in order to ensure that it is appropriate for use during the 2018/19 and 2019/20 years.

2 Recommendation:

2.1 **That the Council's Risk and Opportunity Framework at Appendix A be approved for use during the 2018/19 and 2019/20 years.**

3 Summary of Reasons for the Recommendations

3.1 The Council's Risk and Opportunity Management Framework was last approved for use on 11 January 2016. The Risk and Opportunity Management Framework is subject to review every two years to ensure that it remains fit for purpose. As two years have elapsed, the Framework is due for consideration again

3.2 The Risk and Opportunity Management Framework (attached at Appendix A to this report) sets out how the Council will manage risk and opportunity.

3.3 The Risk and Opportunity Management Framework aims to set out a simple, consistent approach to risk and opportunity management across the organisation and the processes by which this will be implemented.

## 4 Key Facts

- 4.1 The 'Roles and Responsibilities' section of the Risk and Opportunity Management Framework has been updated to include reference to the Officer Programme Board's responsibility for monitoring project risks.
- 4.2 The changing nature of the local government environment means that there is an increasing need to look ahead to proactively anticipate and manage risks and opportunities in order to make the most effective use of resources and make well-informed decisions.
- 4.3 'Risk' and 'opportunity' are concepts used in this context to describe:
- Uncertainties that would have an effect on an outcome being achieved. This could be a threat, problem or an obstacle which would prolong or prevent the delivery of a service or project, or have a negative impact if it were to occur.
  - An opportunity to improve or enhance the outcomes of a service or project.
- 4.4 The Risk and Opportunity Management Framework includes a 4x4 matrix to score risks and opportunities out of 4 for both impact and likelihood. The two scores are multiplied together up to a maximum score of 16. Details of the scoring can be found on the last two pages of Appendix A to this report.

## 5 Legal Issues

- 5.1 A robust approach to risk and opportunity management will help to prevent legal issues and provide assurance that the Council's approach to its business is sound.

## 6 Resource Issues

- 6.1 The Risk and Opportunity Management Framework enables the Council to avoid the occurrence of unforeseen events and therefore effectively plan the use of its resources.

## 7 Equality Analysis Implications/Outcomes

- 7.1 Application of the Risk and Opportunity Management Framework helps to ensure that the Council complies with the duties required of it by the Equality Act 2010.

8 Risk Management Implications

8.1 The Risk and Opportunity Management Framework helps to ensure that a structured approach for managing risk and opportunity is in place and applied consistently across the Council.

9 Consultation

9.1 The Executive and the Performance Scrutiny Panel receive regular reports on the status of the Council's risks and opportunities.

9.2 At its Meeting on 24 January 2018 the Performance Scrutiny Panel will consider the proposals set out in these papers.

10. Options

10.1 To approve the Risk and Opportunity Framework for use in the 2018/19 and 2019/20 years.

10.2 To not approve the Risk and Opportunity Framework for use in the 2018/19 and 2019/20 years.

11 Background Papers

11.1 There are no background papers associated with this report.

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**Previous report(s):**

**Information Issued Under Sensitive Issue Procedure: N**

**Ward Members Notified: N**

**Appendices:**

**A. Risk and Opportunity Management Framework.**