

**PAPER NO. 6**

**REPORT TO THE EXECUTIVE MEETING OF 15 JUNE 2015**

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**Meeting:** Executive  
**Date:** 15 June 2015  
**Subject:** Corporate Risk and Opportunity Register, Quarter Four 2014/15  
**Report of:** Beverley Jolly, Corporate Director - Resources  
**Portfolio Holder:** Cllr Liquorish – Corporate Planning and Performance Portfolio  
**Status:** For information and comment  
**Relevant Ward(s):** All

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1 Purpose of the Report

1.1 To provide the Executive with information on the Council's Corporate Risks and Opportunities at the end of Quarter Four of the 2014/15 year.

2 Recommendations:

2.1 **That the Council's Corporate Risks, Opportunities and associated mitigating actions (attached at Appendix A), be noted.**

3 Summary of Reasons for the Recommendations

3.1 Monitoring of the Council's Corporate Risks and Opportunities is prescribed in the Council's Risk and Opportunity Management Framework.

4 Key Facts

4.1 The Executive is provided with the Corporate Risk and Opportunity Register at the end of Quarter Four of the 2014/15 year (set out at Appendix A to this report).

4.2 The Corporate Risk and Opportunity Register, set out at Appendix A to this report, sets out the key Council's key Corporate Risks and Opportunities. Corporate Risks and Opportunities are defined as issues that may have a significant impact on the delivery of the Council's vision and priorities. They are identified, monitored and managed via the Council's Risk and Opportunity Strategy Board on a quarterly basis.

4.3 The Corporate Risk and Opportunity Register was last considered by the Risk and Opportunity Strategy Board on Wednesday 27<sup>th</sup> April 2015. At this meeting a number of amendments to the Register were made to reflect

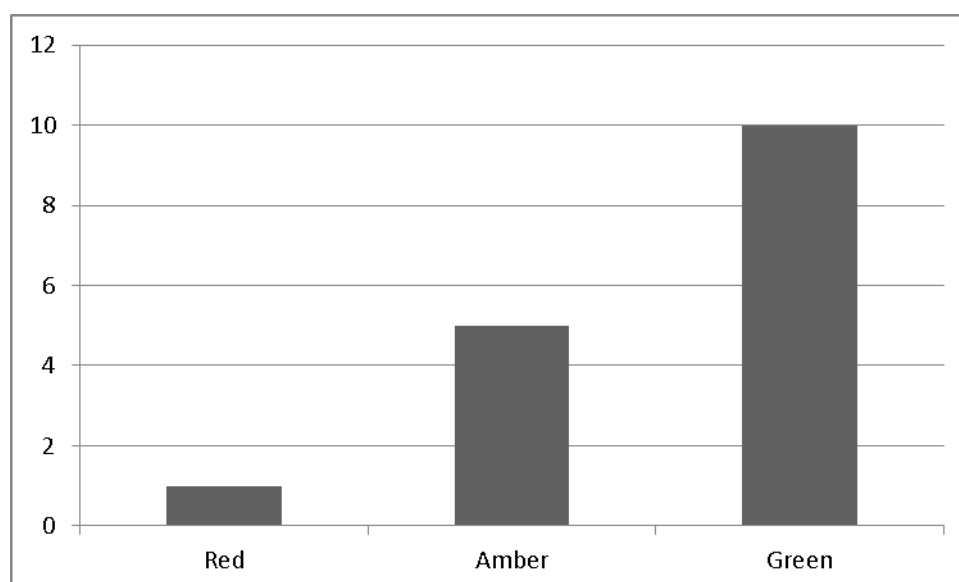
progress on mitigating actions which have been identified to reduce the likelihood that the risk will occur, the impact the risk would have if it were to occur, or both.

- 4.4 At the end of the fourth quarter of the 2014/15 year there were 16 risks and opportunities on the Corporate Risk and Opportunity Register. Full details of the risks and opportunities, including scores and mitigating actions, are attached at Appendix A.
- 4.5 The Council's Risk and Opportunity Management Framework uses a matrix which scores both impact and likelihood out of 4.
- 4.6 The Council's Risk and Opportunity Management Framework categorises risks and opportunities in the following way:

<b>Score</b>	<b>Risk Category</b>
<i>9 or above</i>	<i>Red</i>
<i>5-8</i>	<i>Amber</i>
<i>1-4</i>	<i>Green</i>

## **5 Points for discussion**

- 5.1 The chart below provides a summary of the status of the Council's 16 Corporate risks and opportunities:



## 5.2 Red Risks/ Opportunities

Of the 16 risks/ opportunities on the Corporate Risk Register, one has been assessed as a Red Risk (residual score of 9 or above). This means that the risk is still at a high level and requires close attention, even after actions have been identified to minimise its impact and the chance that it will occur. The red risk is: **CR 05 Significant Changes to National Financial Situation**. The residual score of this risk is 12, meaning that this risk remains of significant importance to the Council.

## 5.3 Amber Risks/ Opportunities

Of the 16 risks/ opportunities on the Corporate Risk Register, five have been assessed as Amber Risks with a residual score of between 5 and 8. The five Amber Risks are shown below:

### 5.3.1 CR OPP 01: Business Growth Leading to Business Rates Retention

This opportunity has a residual impact of 2 (Moderate) and a residual likelihood of 3, with a residual score of 6. The resulting Amber status suggests that more can be done to influence the opportunity.

Commentary on this opportunity can be viewed at Appendix A.

### 5.3.2 CR OPP 02: Acquisition of Assets to Generate Income Opportunities

This opportunity has a residual impact of 2 (Moderate) and a residual likelihood of 3, with a residual score of 6. The resulting Amber status suggests that more can be done to influence the opportunity.

Commentary on this opportunity can be viewed at Appendix A.

### 5.3.3 CR 01 The Council does not meet its income Generation Aspirations and Targets

This risk has a residual impact of 2 (Moderate) and a residual likelihood of 3, with a residual score of 6. The resulting Amber status suggests that more can be done to influence the risk.

Commentary on this risk can be viewed at Appendix A.

### 5.3.4 CR 09 Poor management and monitoring of major contracts (leading to loss of service, financial and/or reputational damage)

This risk has a residual impact of 2 (Moderate) and a residual likelihood of 3, with a residual score of 6. The resulting Amber status suggests that more can be done to influence the risk.

Commentary on this risk can be viewed at Appendix A.

### **5.3.5 CR 18 Failure to procure an affordable waste and environmental service within budget and timescale**

This risk has a residual impact of 2 (Moderate) and a residual likelihood of 3, with a residual score of 6. The resulting Amber status suggests that more can be done to influence the risk.

Commentary on this risk can be viewed at Appendix A.

### **5.4 New Risks and Opportunities**

Two opportunities have been added to the Corporate Risk Register in the fourth quarter of the 2014/15 year. Both of the new opportunities, shown below, are considered to be Amber status.

- CR OPP 01: Business Growth Leading to Business Rates Retention

- CR OPP 02: Acquisition of Assets to Generate Income Opportunities

### **5.5 Risks and Opportunities Removed**

No Corporate risks or opportunities were removed from the Corporate Risk and Opportunity Register at the end of Quarter Four of the 2014/15 year.

### **5.6 Managing Operational Risks & Project Risks**

5.7 In addition to the Corporate Risks and Opportunities attached at Appendix A, the Council monitors and manages Operational Risks and Opportunities identified through the Corporate Delivery Plan and Team Plans.

5.8 Project Risks and Opportunities, identified through corporate projects, are monitored by an Officer-led Programme Board. This Board was created during Quarter Four of the 2014/15 year.

5.9 Operational Risks and Opportunities are updated on a quarterly basis alongside quarterly performance updates. Project Risks are updated on either a monthly or quarterly basis as part of their associated highlight reports.

5.10 Operational Risks are managed via an internal Performance Improvement Board on an exception basis i.e. Red Risks (those with a residual score of 9 or more) and those with a negative direction of travel.

5.11 Corporate Risks, Operational Risks and Project Risks are all included in the full Risk and Opportunity Register which is held on the Council's TEN Performance Management System.

## 6 Legal Issues

- 6.1 None arising directly from this report. Effective risk management minimises the risk of legal issues and litigation occurring in the course of Council business.

## 7 Resource Issues

- 7.1 None arising directly from this report. Effective risk management allows the Council to better manage its resources.

## 8 Equality Analysis Implications/Outcomes

- 8.1 None arising directly from this report.

## 9 Risk Management Implications

- 9.1 This report sets out the Council's Corporate Risks at Appendix A and background information on the scoring criteria at Appendix B.

## 10 Consultation

- 10.1 The Resource and Performance Scrutiny Panel will consider the Corporate Risks and Opportunities at end of Quarter Four of the 2014/15 year, at its meeting on 16 July 2015.

## 11 Options

- 11.1 The Council's Risk and Opportunity Management Framework provides that the Council's risks and opportunities will be reported on a quarterly basis. Therefore the alternative, to not produce this report, was not considered.

## 12 Background Papers

Risk and Opportunity Management Framework (adopted by Council on 15 September 2014).

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**Previous report(s):** Risk and Opportunity Register: Quarters One, Two and Three 2014/15.

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

**Ward Members Notified: N**

**Appendices:**

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

**B. Risk and Opportunity Management**