

## OVERVIEW AND SCRUTINY BOARD

Tuesday June 14<sup>th</sup> 2005

<p><b>STRATEGIC RISK REGISTER, 2004-2005 YEAR-END MONITORING REPORT AND STRATEGIC RISK REGISTER FOR 2005-2006</b></p>
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### Summary

1. To inform Scrutiny of the results of year-end monitoring relating to the Council's Strategic Risk Register 2004-2005 and to present the Strategic Risk Register for 2005-2006 (Appendix A) for comment.

### Introduction

2. The focus of good risk management is the identification and treatment of risks. Risk management in public sector organisations has gained an increasing profile over the last few years. Internal and external audits identified the Council's risk management approach as in need of development. Significant progress has been made by the Council, including the development of a Corporate Risk Management Strategy and a Strategic Risk Register.

#### 2.1 Risk Management Strategy

The Risk Management Strategy outlines the objectives of risk management within Middlesbrough Council and details the activities undertaken to ensure the effective management of risk.

#### 2.2 Strategic Risk Register 2004-2005

The Strategic Risk Register identifies those risk assessed by CMT as being the main strategic risks that may prevent the Council from achieving its medium to long-term priorities. It also provides details of the actions needed to contain the risks to an acceptable level. The 20 identified strategic risks for 2004-2005 were categorised into the following groups:

- Political x 4
- Environmental x 2
- Social x 1
- Technological x 2
- Legislative x 3
- Resources (Human, Physical and Financial) x 4
- Competitive x 2
- Customer/Citizen x 2

## **Evidence / Discussion**

### **Monitoring against strategic risks, April 2004 - March 2005**

3. At 31<sup>st</sup> March 2005, the 20 identified risks which make up the Strategic Risk register 2004–2005 were broken down as follows:
  - 1 risk is no longer valid. The legislative risk, failing to comply with the Freedom of Information Act, as the Act has been successfully implemented and the Council receives approximately 40 requests per month.
  - 19 of the 20 risks are still valid and of those:
    - 11 risks are rolled forward to the 2005–2006 register as they stand.
    - 6 risks are rolled forward to the 2005-2006 register with further refined strategies and processes to manage the risk.
    - 1 legislative risk is rolled forward and applies to the second phase of Single Status and Job Evaluation.
    - 1 resource risk for Health and Safety is rolled forward to the 2005–2006 register but split into two separate risks, one for property and one for non-property.
  
4. To mitigate against the 20 risks identified, 7 actions have been completed:
  - introduction of single member decision making.
  - Member consultation on vision and policy through scrutiny process.
  - completion of a formal process for feeding recommendations into the Executive system and tracking progress of recommendations.
  - operational e-Government Management Board.
  - the establishment of a clear budget and priority setting process – ‘Budget Principals’ as agreed by Executive.
  - revised census figures have been issued for Middlesbrough.
  - first phase of Single Status and Job Evaluation.

5. To manage the 20 risks identified, 11 documents and policies have been produced:
  - final Draft Community Strategy
  - Communication Strategy
  - Performance Management Minimum Standard
  - Climate Change Action Plan
  - People Strategy
  - draft ICT and e-Government Strategy
  - ICT and e-Government Risk Log
  - revised Information Security Policy
  - Records Retention and Destruction Policy
  - Annual Action and Inspection Plans for Health and Safety.
6. There have been two pieces of legislation impacting upon identified risks:
  - Civil Contingencies legislation March – April 2005 with full implementation by the end of 2005.
  - Freedom of Information Act.
7. A full summary of how the 20 risks were managed during 2004–2005 can be found in Appendix B.

### **Reviewing and reporting risk 2005-2006**

8. There are 41 strategic risks for the 2005-2006 register. Of these, 20 have been rolled forward from the 2004-2005 register and 21 are newly identified risks. Progress against the 41 risks will be monitored and reported on a quarterly basis. The quarterly monitoring periods will be:
  - April 2004 – June 2004
  - July 2004 – September 2004
  - October 2004 – December 2004
  - January 2005 – March 2005
9. An update report will be produced after each monitoring period and presented to CMT. This will provide an opportunity to update the risk register with new risks, remove risks that are no longer assessed as being at level 'A' or 'B' and to update any actions needed to mitigate those risks.
10. At the end of the financial year a full review of strategic risks will take place and an updated strategic risk register will be produced for the following year. An update on risk management issues and the revised strategic risk register will be taken to CMT, Scrutiny and Executive to enable members to monitor the actions taken on their behalf and the actions needed to mitigate the risks identified.
11. Overall, all specific strategies, processes and actions to manage the 41 identified strategic risks are robust.

## CONCLUSION

12. For Scrutiny to note and comment upon this report.

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## **APPENDIX B**

### **A SUMMARY OF HOW STRATEGIC RISKS FOR 2004 – 2005 WERE MANAGED**

- The four identified political risks were mitigated through the Mayoral priorities and vision which are embedded within the Council planning processes and having the decision-making process shared across Executive. Executive and Scrutiny also enjoy a constructive working relationship. Community cohesion, co-ordinated approaches to initiatives and exercising discrimination in choices of initiatives in which to participate have further helped to co-ordinate and focus activity relating to Central Government approaches to area initiatives. The development of strong, sub-regional structures to match Tyneside will in the future help reduce the risk of aggregate decision-making responsibilities favouring the larger authorities.
- The two environmental risks were mitigated through the provisions within the Emergency Planning Action Plan 2004/05, the Climate Change Plan and regular monthly meetings of the Emergency Management and Response Team (EMRT).
- The one identified social risk was managed through both the Mayor's Raising Hope Agenda and the Community Strategy.
- Both technological risks were mitigated through the proactive management of hardware and software, business continuity planning and the development of an ICT and e-Government Strategy.
- The three identified legislative risks were managed through continued weekly dialogue with Trade Unions re: Job Evaluation, Annual Action and Inspection Plans in place for Health and Safety and adherence to the Freedom of Information Act.
- The four resources risks were mitigated through partnership working, ensuring pension commitments could be met, that sufficient funds are available through appropriate council tax levels, and the People Strategy.
- The two competitive risks identified were managed via the enhancement of management liaison arrangements and greater flexibility for trading areas to retain surplus for reinvestment.
- The two customer and citizen risks were both managed with the Council's vision complementing the community strategy and being based upon shared national and local priorities as well as ensuring a high level of engagement to ensure council strategies match customer aspirations.