

## ROTHERHAM BOROUGH COUNCIL – REPORT TO AUDIT COMMITTEE

1.	<b>Meeting:</b>	Audit Committee
2.	<b>Date:</b>	19 October 2011
3.	<b>Title:</b>	Corporate Risk Register
4.	<b>Directorate:</b>	Financial Services

### 5. Summary

Attached to this report is the new look corporate risk register summary. The summary shows the risks associated with the Council's most significant priorities and projects, and actions being taken to mitigate these risks.

Following comments from Cabinet, the risk register has been streamlined to emphasize the Council's most significant risks and key actions and developments relating to these risks.

Not surprisingly, the Council's key current risks relate to the financial pressures faced by the Council. Management actions are being taken to mitigate these and other risks in the register.

### 6. Recommendations

The Audit Committee is asked to:

- **note the revised corporate risk register summary attached at Appendix A**
- **confirm the current assessment of the Council's top four corporate risks**
- **indicate any further risks that it feels should be added to the risk register**

## 7 Proposals and Details

### 7.1 Format

This report contains the latest position on the Corporate Risk Register. The format of the report and corporate risk register summary, attached at **Appendix A**, has been changed to reflect comments made by Cabinet.

The covering report highlights the top four inherent risks. The corporate risk register summary reflects the current risk assessments for each corporate priority or project in the corporate risk register.

There are 3 overall categories of risk (RED, AMBER, GREEN) representing varying degrees of exposure. Each category contains a range of risk scores, so there are varying degrees of risk within each category. Appendix A shows the risk category and score for each priority or project included in the register before and after risk mitigation actions.

### 7.2 Top four inherent risks

The new risk register summary now shows risks in descending inherent risk order, to emphasize the most significant risks faced by the Authority. The top four inherent risks are:

- Managing Government budget reductions - unable to maintain key services due to budgetary limits.

*Cabinet and Strategic Leadership Team are meeting on a regular basis to consider the options available and, ultimately, Cabinet will make decisions that ensure the Council can provide priority services within available resources.*

- Unable to deliver effective Children's Services within budget.

*Ongoing action is being taken by management to provide services within the budget available. Cabinet is being kept informed of the relevant financial challenges as part of the budget monitoring and budget setting processes and makes decisions accordingly.*

- Funding of the Digital Region Project to provide comprehensive broadband facilities across South Yorkshire

*The company (Digital Region Ltd), four South Yorkshire Councils and Government Department for Business, Innovation and Skills are continuing to work on plans to ensure the ongoing viability of the project.*

- Sustaining improvement in Children's Services post DFE intervention

*Relevant monitoring and scrutiny of progress is being conducted by Members and management, and action plans varied according to any emerging issues. Good progress is being made and reflected in positive outcomes and inspection feedback.*

The summary at Appendix A provides more details of the actions being taken to mitigate these and other risks recorded in the corporate risk register.

## **8. Finance**

The risks contained in the register require ongoing management action. In some cases additional resources may be necessary to implement the relevant actions or mitigate risks. Any additional costs associated with the risks should be reported to the Strategic Leadership Team and Members for consideration on a case by case basis.

## **9. Risks and Uncertainties**

It is important to review corporate risks on an ongoing basis, to ensure risks relating to the Council's key projects and priorities are effectively monitored and managed by the Strategic Leadership Team and Members.

## **10. Policy and Performance Agenda Implications**

Risk Management is part of good corporate governance and is wholly related to the achievement of the objectives in the Council's Corporate Plan.

## **11. Background Papers and Consultation**

This report reflects the latest updates provided by the respective 'lead officers'.

### **Contact Names:**

*Colin Earl, Director of Audit and Governance, x22033*

*Andrew Shaw, Insurance and Risk Officer, x22088*

## **Appendices**

### **A Corporate Risk Register Summary**

## APPENDIX A: SUMMARY CORPORATE RISK REGISTER

No	Risk	Pre Controls 1-25	Lead officer  Key Actions/Updates	Post Controls 1 -25	Links to Corporate Priorities
0027	Managing Government budget reductions - unable to maintain key services due to budgetary limits	25	<u>Andrew Bedford</u> <ul style="list-style-type: none"> <li>High priority, driven through Strategic Leadership Team and Cabinet</li> <li>Further actions to mitigate budget reductions are being identified</li> </ul>	16	All Priorities
0022	Unable to deliver effective Children's Services within budget	25	<u>Joyce Thacker</u> <ul style="list-style-type: none"> <li>Additional funding for 2011/12 resulting in a balanced original budget</li> <li>Continuing monitoring and review of pressures into 2011/12</li> <li>Review of all service provision and structures continues.</li> </ul>	16	Priority 2 - Providing quality education ... Priority 3 - Care and protection for those people who need it most ...
0033	Funding of the Digital Region Project to provide comprehensive broadband facilities across South Yorkshire	20	<u>Andrew Bedford</u> <ul style="list-style-type: none"> <li>South Yorkshire Councils are adopting a proactive approach to the project, including support</li> <li>Ongoing work with the Company and Central Government on project funding</li> </ul>	16	Priority 1: No community left behind
0021	Sustaining improvement in Children's Services post Department For Education (DFE) intervention	20	<u>Joyce Thacker</u> <ul style="list-style-type: none"> <li>Service improvement and school attainment plan monitored by DFE</li> <li>Notice to improve removed Jan 2011</li> <li>Unannounced inspection provided positive feedback</li> <li>Peer challenge taking place Oct2011</li> </ul>	12	Priority 2 - Providing quality education ... Priority 3 - Care and protection for those people who need it most ...

No	Risk	Pre Controls 1-25	<u>Lead officer</u> Key Actions/Updates	Post Controls 1 -25	Links to Corporate Priorities
0004	Costs of Capital Programme-significant consequences on revenue budget	16	<u>Andrew Bedford</u> <ul style="list-style-type: none"> <li>Financial details within Medium Term Financial Strategy</li> <li>Regular monitoring, review and reporting taking place</li> </ul>	12	All Priorities
0031	Free Schools and other school arrangements could reduce LA provision and associated funding and could, therefore, adversely affect the Council's ability to support sustained improvement in attainment	16	<u>Joyce Thacker</u> <ul style="list-style-type: none"> <li>Monitoring has taken place and a report is to be taken to cabinet highlighting the risk and possible implications</li> <li>Implications being assessed by CYPs working with schools at risk of the implications of new provisions becoming free schools</li> </ul>	12	Priority 2 - Providing quality education ...
0030	Schools Collaboration- impact of schools commissioning on LA services	16	<u>Joyce Thacker</u> <ul style="list-style-type: none"> <li>Monitoring has taken place and a report is to be taken to Cabinet highlighting the risk and possible implications for the Council</li> <li>Strategic Director communicated with Head Teachers and Chairs of Governors regarding implications of collaboration and purchasing</li> <li>Commissioning exercise currently being devised in relation to Children Centre Provision in Rotherham.</li> </ul>	12	Priority 2 - Providing quality education ...

No	Risk	Pre Controls 1-25	<u>Lead officer</u> Key Actions/Updates	Post Controls 1 -25	Links to Corporate Priorities
0003	Availability of resources to carry out Schools Capital Investment programme	16	<u>Karl Battersby</u> <ul style="list-style-type: none"> <li>DfE decision on funding ensures that the Council can now allocate resources appropriately</li> <li>Awaiting analysis of further Government statements on funding</li> <li>Developing strategies for Capital Investment in conjunction with schools, academies, diocese and relevant government bodies</li> </ul>	9	Priority 2 - Providing quality education ...
0019	Failure to fully realise benefits of the RBT partnership before completion	16	<u>Andrew Bedford</u> <ul style="list-style-type: none"> <li>Transition arrangements being discussed</li> <li>Developing new forward plan</li> </ul>	9	All Priorities
0009	Implementation of Personalisation in Adult Social Services	16	<u>Tom Cray</u> <ul style="list-style-type: none"> <li>Budget proposals and efficiency proposals put into place</li> <li>Re-enabling and warden services to merge</li> </ul>	8	Priority 3 - Care and protection for those people who need it most ...
0012	Local Government Reform (LGR) implementation Plan – Failure to implement reforms	16	<u>Matt Gladstone</u> <ul style="list-style-type: none"> <li>All current statutory requirements are being met</li> <li>Member development on the LGR is in place</li> </ul>	6	All Priorities

No	Risk	Pre Controls 1-25	Lead officer Key Actions/Updates	Post Controls 1 -25	Links to Corporate Priorities
0013	Failure to commission services that will meet the needs of communities effectively and / or achieve efficiency savings.	12	<u>Matt Gladstone</u> <ul style="list-style-type: none"> <li>High level reviews are being carried out</li> <li>Re-commissioning of Children's Services to achieve VFM and improved commissioning and procurement practice</li> </ul>	6	Priority 3 - Care and protection for those people who need it most ...
0029	Highway Maintenance	12	<u>Karl Battersby</u> <ul style="list-style-type: none"> <li>Approval given for additional funding</li> <li>Target of 5% increase in efficiency by May 2011</li> <li>Implementation of new working arrangements wef 1 July 2011 is resulting in improvements in operational efficiency now being realised s</li> <li>£3m prudential borrowing in place which will be drawn down over 3 years</li> </ul>	6	Priority 5 Improving the Environment
0002	Failure to deliver the waste management strategy	12	<u>Karl Battersby</u> <ul style="list-style-type: none"> <li>PFI project plan in place</li> <li>Financial closure Summer 2011</li> <li>Outline planning permission on preferred site due autumn 2011</li> </ul>	6	Priority 5 Improving the Environment
0024	Community Stadium – failure by RUFC to secure funding to develop the site and construct the stadium	12	<u>Karl Battersby</u> <ul style="list-style-type: none"> <li>Site purchased</li> <li>Outline Planning permission granted</li> <li>RUFC selected contractor</li> </ul>	6	Priority 4 Helping to create safe and healthy communities

No	Risk	Pre Controls 1-25	Lead officer Key Actions/Updates	Post Controls 1 -25	Links to Corporate Priorities
0001	Civic Building Accommodation not fit for purpose	12	<u>Karl Battersby</u> <ul style="list-style-type: none"> <li>• Building completed</li> <li>• First decants scheduled for November</li> </ul>	2	<b>Priority 5</b> Improving the Environment
0025	Civic Centre –WorkSmart Project	9	<u>Karl Battersby</u> <ul style="list-style-type: none"> <li>• Effective leadership by departments adapting to WorkSmart</li> <li>• Project now led by Strategic Director EDS</li> <li>• Pressures on timescales of EDRMS and management of decant program, leading to re-scheduling of EDRMS project</li> </ul>	4	<b>Priority 5</b> Improving the Environment