Report to:	**Performance Scrutiny Committee**
Date of Meeting:	**26 January 2017**
Lead Member/Officer:	**Lead Member for Finance, Corporate Plan and Performance/ Head of Business Improvement & Modernisation**
Report Authors:	**Strategic Planning Team Manager Strategic Planning Officer**
Title:	**Corporate Risk Register Review, December 2016**

1. What is the report about?

1.1 The December 2016 formal revision to the Corporate Risk Register.

2. What is the reason for making this report?

2.1 To present Performance Scrutiny with the latest version of the Corporate Risk Register (Appendix 1), as agreed at Cabinet Briefing.

3. What are the recommendations?

3.1 That Performance Scrutiny note the deletions, additions and amendments to the Corporate Risk Register and has the opportunity to comment.

4. Report details

4.1 The main issues to note for the Corporate Risk Register are as follows:

i. DCC001: '*The risk of a serious safeguarding error where the council has responsibility, resulting in serious injury or death'*. Most of the actions planned are complete and whilst timescales have slipped for the remaining action(s), most are near completion. It is proposed that the likelihood be reduced to '*possible*' but that the impact should remain '*high*'.

ii. No change to DCC006: *'The risk that the economic and financial environment worsens beyond current expectations, leading to additional demand on services and reduced income'*. This risk continues to be closely monitored and a robust budget process for 2017/18 is near completion; just awaiting final approval. Whilst the settlement was better than expected, flat in cash terms, this does not allow for inflation.

iii. DCC007: *'The risk that critical or confidential information is lost or disclosed'*. Following the introduction of the new information security policy and recruitment of the ICT Security Officer, it is proposed that likelihood be reduced to *'rare'* and that the impact should remain *'medium'*.

iv. No change to DCC011: *'The risk of an ineffective response to a severe weather, contamination, or public health event'*. Changes at 'response lead level are now embedded and once the major incident handbook is finalised (scheduled for end December 2016), it is hoped that the residual risk likelihood can be downgraded to *'rare'*, but should remain at *'possible'* for now.

v. No change DCC012: *'The risk of a significantly negative report(s) from external regulators'*. Audit reports received are generally positive, however concerns have been raised previously by CSSIW about safeguarding arrangements. The likelihood will remain *'possible'* for now and once confirmation is received that the safeguarding arrangements have improved satisfactorily, the likelihood will be reduced to *'rare'*.

vi. No change DCC013: '*The risk of significant liabilities resulting from alternative models of service delivery'.* A corporate framework for proposed alternative service delivery models and an assessment tool have been developed. However, in recognition of the increasing need to identify and implement alternative service delivery models to sustain services and create efficiencies, the likelihood remains *'possible'* with a *'high'* impact.

vii. No change to DCC014: *'The risk of a health & safety incident resulting in serious injury or the loss of life'*.

viii. No change to DCC018: *'The risk that programme and project benefits are not fully realised'.*

ix. DCC021: *'The risk that effective partnerships and interfaces between BCU Health Board and Denbighshire County Council (DCC) do not develop, leading to significant misalignment between the strategic and operational direction of BCUHB and DCC'*. The Regional Partnership Board has been implemented to progress co-operation and integration and the locality structure is bedded in. The likelihood has been reduced to *'probable'*.

x. DCC027: '*The risk that the decisions that are necessary to enable the delivery of a balanced budget are not taken or implemented quickly enough'.* A balanced budget for 2017/18 has been developed resulting in the likelihood being reduced to *'rare'*. However, uncertainty due to future settlements (2018/19 and onward) mean that this risk continues to be a challenge and the likelihood may increase again in the future. In addition, much of the 'low hanging fruit' has been taken, leaving more complex and unpalatable decisions needing to be taken to deliver future efficiencies.

xi. Delete DCC028: '*The risk that the services that we scale back have a greater positive or negative impact than we anticipated'.* The risk was originally identified when large cuts to front line services were required (2014/15) and the impacts of the changes have been assessed. The 'Cutting the Cloth' Task and Finish Group is to be wound up. Processes for monitoring efficiencies and alternative delivery models are in place and specific risks around them are monitored.

xii. No change to DCC029: '*Risk of successful challenge that we are illegally depriving people of their liberty'.* A Senior Practitioner with lead responsibility for

Deprivation of Liberty (DoLS) is now in post and will offer support and supervision for the process.

xiii. No change to DCC030: '*The risk that appropriate capacity and skills to sustain service and corporate performance is not available'*.

xiv. No change to DCC031: *'The risk of fraud and corruption resulting in financial and reputational loss and potentially impacting on service delivery'*.

xv. Delete DCC032: *'The risk that the current uncertainty surrounding Local Government Reform (LGR) will lead to a greater focus on transition and therefore reduce the ambition of our plans'*. Shortly after this risk was added to the Corporate Risk Register (June 2016) it was announced that the plans for LGR were unlikely to be progressed in their current form and that Public Sector Reform (PSR) was being considered.

xvi. New Risk DCC033: *'There is a risk that the cost of care is outstripping the Council's resource'*. Since the implementation of the Whittleston Judgement and the increase in the national living wage, the cost of purchasing care has increased by 5% for 2016/17 and is projected to increase by 4% per year for the next four years; largely due to care home fees. The consequence would be overspends in Social Care which would place significant pressure on the Council and could lead to the need to scale back or withdraw non-statutory services. Given the control measures in place, the risk is assessed as *'probable'* with a *'high'* impact.

4.2 New risks are emerging on which the Council is keeping a watching brief, but insufficient facts exist to accurately describe the risks or assess likelihood and impact:

- Brexit
- Funding of Tackling Poverty Programmes, particularly Communities First, Flying Start and Families First.
- Public Sector Reform

5. How does the decision contribute to the Corporate Priorities?

5.1 The purpose of the Corporate Risk Register is to identify the potential future events that may have a detrimental impact on the council's ability to deliver its objectives, including its corporate priorities. The identified controls and actions are therefore crucial to the delivery of the corporate priorities.

6. What will it cost and how will it affect other services?

6.1 The cost of developing, monitoring and reviewing the Corporate Risk Register is absorbed within existing budgets.

7. What are the main conclusions of the Well-being Impact Assessment? The completed Well-being Impact Assessment report can be downloaded from the website and should be attached as an appendix to the report.

7.1 This Corporate Risk Register document identified risks and current and proposed mitigating actions. The process of developing and reviewing the document itself does not require a Well-being Impact Assessment to be undertaken. However, any new process, strategy or policy arising as a result of a mitigating action should be impact assessed at service delivery level.

8. What consultations have been carried out with Scrutiny and others?

8.1 The Corporate Risk Register has been developed by and is owned by the Corporate Executive Team. The process for review is as follows:

- All service risk registers are reviewed by services (according to the corporate risk management methodology) prior to each Corporate review.
- The Corporate Improvement Team analyse service risk registers to identify risks of corporate significance or any themes emerging across services.
- Updates on current corporate risks are collected from risk owners, and updates on mitigation actions are collected from action owners.
- Individual meetings are held with the Chief Executive and each Corporate Director, to discuss the risks for which they are lead. Consideration is given to whether the risk remains, whether the scores are accurate, and whether any new risks under their jurisdiction need to be included.
- A risk workshop is held at Cabinet Briefing to review existing risks; discuss progress on agreed mitigation actions; discuss and agree new corporate risks; review and update residual risk scores; update existing controls (in light of completed actions); and agree any new actions to mitigate risks.

9. Chief Finance Officer Statement

9.1 There are no financial implications arising from the process outlined in this report for developing, monitoring and reviewing the Corporate Risk Register.

10. What risks are there and is there anything we can do to reduce them?

10.1 The main risk associated with the risk management process is that the registers are not regularly reviewed and do not therefore become a dynamic and meaningful management tool. However, the process is fully integrated into the council's performance management framework, which should mitigate against this.

11. Power to make the Decision

11.1 Local Government Act 2000.

11.2 Section 7.15.2 of the Council's Constitution sets out the Committee's responsibilities with respect to scrutinising the Council's performance in relation to corporate matters.

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