

MAIDSTONE BOROUGH COUNCIL

CABINET

22 DECEMBER 2010

REPORT OF CORPORATE MANAGEMENT TEAM

Report prepared by Brian Parsons

1. STRATEGIC RISKS (Draft Risk Register)

1.1 Issue for Decision

1.1.1 To consider and adopt a new draft Strategic Risk Register which reflects the Council's draft new priorities and aligns with the Council's draft Strategic Plan for 2011-15.

1.2 Recommendation of Corporate Management Team

That Cabinet considers and adopts the new draft Strategic Risk Register shown at Appendix A.

1.3 Reasons for Recommendation

1.3.1 The Council has maintained a Strategic Risk Register for a number of years. The Register has contained the high level risks that, without proper and proactive management, would prevent the Council from delivering its key objectives.

1.3.2 The current year has been a period of significant change; the Coalition Government was elected in May and has since commenced a radical programme of reform of the public sector. This has been accompanied by the need to make significant cuts in public spending. Cabinet has been working on a draft Strategic Plan for 2011-15 which will set out new priorities for the Council. In these circumstances it has been necessary to create a completely new draft Strategic Risk Register to align with the new plan and to reflect the changed economic and political landscape.

1.3.3 The new draft Strategic Plan 2011-15 will set out three priorities:

- For Maidstone to have a growing economy
- For Maidstone to be a decent place to live
- Corporate and Customer Excellence

- 1.3.4 In order to achieve these priorities, a number of draft Strategic Outcomes have been identified whereby in 2014, Maidstone:
- has a transport network that supports the local economy
 - has a growing economy with rising employment, catering for a range of skill sets to meet the demands of the local economy
 - has decent affordable housing in the right places across a range of tenures
 - continues to be a clean and attractive environment for people who live in and visit the borough
 - residents are not disadvantaged because of where they live or who they are, vulnerable people are assisted and the level of deprivation is reduced
 - the Council will continue to have value for money services that residents are satisfied with.
- 1.3.5 A risk workshop was held on 10 December 2010, which allowed Members of the Cabinet and the Corporate Management Team to identify the risks to the successful delivery of the draft strategic outcomes and create a new draft Strategic Risk Register. The workshop was informed by the work carried out earlier in the year by a risk consultant from Zurich Management Services and by the national report published in November 2010, by Zurich Municipal and Ipsos MORI, entitled 'Tough Choices'.
- 1.3.6 The objective of the risk workshop was to specifically match the risks to the draft strategic outcomes.
- 1.3.7 The new (draft) Strategic Risk Register is attached at Appendix A.
- 1.3.8 There will now be a process of consultation on the Strategic Plan 2011-15, which will include consideration by the Overview and Scrutiny Committee. When the Strategic Plan has been finalized, the strategic risk register will be adapted as necessary to reflect the finalized Plan. The individual strategic risks will then be allocated by Management Team to a 'risk owner'. Management Action Plans will then be developed. The risk owner will be required to report progress to Corporate Management Team on a quarterly basis as part of the Performance Management reporting cycle.

Audit Committee

- 1.3.9 The Audit Committee has responsibility 'to monitor the effective development and operation of risk management'. A report will therefore be provided to the meeting on 21 March 2011, setting out the process for identifying and managing the strategic and operational risks.

Financial Risk

- 1.3.10 The draft Strategic Risk Register contains a number of references to financial risk and reduced resources which might affect the ability of the Council to deliver its priorities. In addition, the Head of Finance and Customer Services has prepared a separate 'Financial Management Risk Register', which covers all aspect of financial management. This register will be monitored and if the risks start to materialize, will result in an escalation to strategic level with a resulting report to Corporate Management Team. This will help to ensure a robust and prudent approach is taken to future financial planning, in an uncertain financial climate.

Operational Risks

- 1.3.11 Operational Risk Registers will be developed by service managers as part of their service planning. These service risks will be entered to the performance management system, Covalent, where they can be managed and monitored. There will be a facility for escalating the reporting process should it be necessary to raise any of the risks to a strategic level.

1.4 Alternative Action and why not Recommended

- 1.4.1 It is vital that the Council identifies its key strategic risks and puts in place the necessary actions to manage the risks. A failure to identify and manage strategic risks would bring into question the adequacy of the Council's governance and general management processes.

1.5 Impact on Corporate Objectives

- 1.5.1 Risks arise from the actions that are necessary to deliver corporate objectives. The identification of strategic risks and the creation of action plans to mitigate and manage the risks, makes it more likely that corporate objectives and outcomes will be met.

1.6 Risk Management

- 1.6.1 Risk Management is the basis of this report

1.7 Other Implications

1.7.1

1.	Financial	X
2.	Staffing	X
3.	Legal	X
4.	Equality Impact Needs Assessment	
5.	Environmental/Sustainable Development	X
6.	Community Safety	
7.	Human Rights Act	
8.	Procurement	X
9.	Asset Management	

1.7.2 The draft risks that have been identified have financial implications

1.7.3 The draft risks could impact on staff

1.7.4 There are a number of draft risks that have a relationship with statutory requirements

1.7.5 The draft risks have potential procurement implications, for example in the provision of value for money services

1.8 Conclusions

1.8.1 The creation of a new draft Strategic Plan for the Council, with new Strategic Priorities, requires that the risks to the delivery of those priorities (and their outcomes) are identified and measures are taken to mitigate and manage the risk to delivery. The draft Strategic Risk Register has been created for that purpose.

1.9 Relevant Documents

1.9.1 Appendices: Appendix A, the draft Strategic Risk Register

1.9.2 Background Documents

1.9.3 Tough Choices: Different perspectives on long-term risk facing the public sector and wider civil society, Zurich Municipal and Ipsos MORI.

IS THIS A KEY DECISION REPORT?

Yes

No

If yes, when did it first appear in the Forward Plan?

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This is a Key Decision because:

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Wards/Parishes affected:

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