

Subject: Risk Management Strategy 2013
Date of Meeting: 14 February 2013
Report of: Director of Finance
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Ward(s) affected: All

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

- 1.1 This report presents the council's Risk Management Strategy 2013 which is revised annually to take account of latest guidance and context and to ensure continuous improvement in risk management methods.
- 1.2 Approval for the Risk Management Strategy is the responsibility of Policy & Resources Committee; ongoing monitoring of the effectiveness of actions to deliver the Strategy is the role of the Audit & Standards Committee.

2. RECOMMENDATIONS:

- 2.1 That the Policy & Resources Committee approves the Risk Management Strategy 2013.

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

- 3.1 On 9 February 2012 Cabinet approved a one year Risk Management Strategy on the basis that it would provide an approach for a three year period, but due to the extent of change affecting the council, it would be updated each year; and delegated authority was given to the Director of Finance to alter the risk management methodology to reflect best practice.
- 3.2 The purpose of a Risk Management Strategy is to contribute to the overall governance arrangements of the council and specifically to co-ordinate activities to direct and control an organisation with regard to risk¹. It therefore needs regular update to be a "living framework" to move with the operating environment of the council.
- 3.3 Many aspects of the risk management methodology have not changed because it is widely understood and integrated into existing processes. The main changes made to the Risk Management Strategy 2013 are as a result of:

¹ Based on "Risk Management: Process & Guidelines" BS ISO 31000: 2009 (BSI)

- a) Government introduced changes relating to the transfer of Public Health responsibilities to the council from April 2013 – the risk management strategy more overtly reflects this responsibility, however it should be recognised that there has been close work with health colleagues over the years, particularly in the shadow year 2012 before full integration of public health;
- b) significant changes to the council’s officer leadership and structure (contained in Element 1 of the Strategy);
- c) changes to the committee system, particularly the Audit & Standards Committee which now includes independent persons, which has a significant role in monitoring risk management;
- d) increased reference to in the Risk Category checklist to reflect the importance of data quality to improve performance and resource planning; also climate change adaptation;
- e) increased legislative freedom and financial incentive for the council to proactively develop the economic well-being of the council; this is reflected in the newly introduced “dual risk matrix” (in the Element 2 of the Risk Strategy 2013) to risk assess and manage opportunities.

4. COMMUNITY ENGAGEMENT AND CONSULTATION

- 4.1 The work to establish Risk Management as a key element of the council’s Performance & Risk Management Framework has involved cross-discipline work.
- 4.2 From 2012 onwards there has been increased working with city partners to assess and manage risks which affect the city’s performance and risk management framework. It has led to risk management informing performance challenge and review sessions to better achieve city outcomes.
- 4.3 There are increasing links with local community groups, such as those represented on the Neighbourhood Councils’ Working Group, to develop an understanding of risk and opportunities for the city.
- 4.4 Risk Management applies across the multiple ways that the council delivers services and its joint work with external parties...

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 5.1 The Risk Management Strategy assists the authority to comply with Corporate Governance Standards and will contribute to the authority’s control and risk management assessment for the Annual Governance Statement within the Financial Statements.

The Risk Management Strategy will support the city wide Performance & Risk Management Framework.

Finance Officer Consulted: Anne Silley

Date: 03/01/13

Legal Implications:

- 5.2 An effective risk management strategy will enable better identification of legal risks, promote their effective management and therefore minimise the council's exposure to potential liability.

Lawyer Consulted:

Oliver Dixon

Date: 03/01/13

Equalities Implications:

- 5.3 The council's operating model puts customers at the heart of our activities. The Risk Management methodology includes consideration of and a process to manage equalities implications.

Sustainability Implications:

- 5.4 Sustainability means protecting and enhancing the environment now and in the future, including climate change adaptation; meeting social needs; promoting economic success and risk management will be applied to each of these.

Crime & Disorder Implications:

- 5.5 There are no direct Crime & Disorder implications.

Risk and Opportunity Management Implications:

- 5.6 The Risk Management Strategy is focussed on improving the quality and consistency of risk & opportunity management of activities.

Public Health Implications:

- 5.7 The Risk Management methodology accords with that used by the NHS and is used to inform public health decision making and projects.

Corporate / Citywide Implications:

- 5.8 There are no direct citywide implications.

6. EVALUATION OF ANY ALTERNATIVE OPTION(S):

- 6.1 The city council could decide to request a longer term (not just one year) Risk Management Strategy but this would not always reflect the structure of the council and the challenges of the current time.
- 6.2 The city council could decide not to have any approved Risk Management Strategy but this would not accord with best practice for corporate governance.

7. REASONS FOR REPORT RECOMMENDATIONS

- 7.1 Having both Policy & Resources Committee involved in approval of the Strategy, and Audit & Standards Committee Members considering risk management arrangements ensures a wide range of Members are involved. This route for formal approval and practice is mirrored in other authorities.

SUPPORTING DOCUMENTATION

Appendices:

1. Risk Management Strategy 2013.

Documents in Members' Rooms

1. Risk Management Strategy 2013.

Background Documents

1. None.