



**Audit and Risk Management Committee  
Monday, 29 January 2018**

<b>REPORT TITLE:</b>	<b>Corporate Risk Register: Update</b>
<b>REPORT OF:</b>	<b>Chief Executive</b>

**REPORT SUMMARY**

This report confirms the outcome of the last review of the Corporate Risk Register and provides an update as to the development of risk registers for other areas.

**RECOMMENDATION/S**

That Members note the outcome of the most recent review of the Corporate Risk Register.

That Members note the development in relation to the production of risk registers for Wirral Plan pledge strategies.

That further updates on the Corporate Risk Register be reported to future meetings of this committee.

## **SUPPORTING INFORMATION**

### **1.0 REASON/S FOR RECOMMENDATION/S**

- 1.1 Having an understanding of the Council's principal risks and their controls supports the Committee's responsibility in relation to the adequacy of the Council's risk management framework.
- 1.2 The provision of regular reports to this Committee on the Corporate Risk Register is a requirement of the Council's Corporate Risk Management Policy.

### **2.0 OTHER OPTIONS CONSIDERED**

- 2.1 None.

### **3.0 BACKGROUND INFORMATION**

- 3.1 Following adoption of the Wirral Plan in 2015 the Strategic Leadership Team (SLT) revised the Council's Corporate Risk Register. This was reported to this Committee on 14 June 2016.
- 3.2 Regular reviews are undertaken by SLT. Currently these address progress in relation to the management of the existing corporate risks as well as emerging risk areas for possible addition to the Register.

#### **REVIEW – 28 NOVEMBER 2017**

- 3.3 To support the review a summary of the status of key mitigating actions for all of the existing corporate risks was provided to the team. A copy is appended to this report.
- 3.4 The summary indicated that all mitigating actions appeared to be progressing broadly as planned.
- 3.5 Reviews also consider developments within the Council and in the wider operating environment and their potential to impact on the Council's objectives. In the November 2017 review the following risk areas were discussed by the team.
  - 3.5.1 Whilst preparations for the introduction of the General Data Protection Regulations continue and additional funding has been made available to support this it is vital that progress is maintained as failure to achieve compliance could have significant financial legal and reputational consequences. The team acknowledged that a significant challenge remains and will monitor this area closely in the coming months.
  - 3.5.2 The Chancellor of the Exchequer's Autumn Statement was also considered. At the time of the review details of the Local Government settlement were yet to be announced. Although it was acknowledged that this could impact on the Council's future financial position and its broader objectives the team also

recognised the degree of financial planning undertaken and oversight exercised in this area.

3.5.3 The pressure on Children’s Services and the additional demands that this could make on the Council’s financial resources was also considered. It was agreed that this topic would be reviewed when the details of the Local Government settlement were known.

### KEY RISKS FROM OTHER AREAS

3.6 To give the team an understanding of the nature and significance of risks to the delivery of the Council’s wider objectives details of risks to the delivery of both elements of the Transformation Programme and two Directorates were also provided. That information is replicated below. For each area there is a table showing the number of risks for different scores within the standard scoring table and a summary of all risks which at the time were evaluated as ‘red’.

#### Business Services

		Impact →				
		Very Low (1)	Low (2)	Medium (3)	High (4)	Very High (5)
Likelihood ↑	Very High (5)					
	High (4)					
	Medium (3)		1	6	5	
	Low (2)		1	8	1	
	Very Low (1)					

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| <p><u>Support Delivery of Transformation Programme</u></p> <ul style="list-style-type: none"> <li>Effectiveness of project management <b>(12)</b></li> </ul> <p><u>Robust governance and compliance</u></p> <ul style="list-style-type: none"> <li>Limited capacity could impede ability to effect strong information governance - including compliance with GDPR <b>(12)</b></li> <li>Non-compliance with procedures and practices <b>(12)</b></li> </ul> <p><u>Maximise opportunities from assets</u></p> <ul style="list-style-type: none"> <li>Scope of the programme <b>(12)</b></li> <li>Uncertainty over market conditions <b>(12)</b></li> </ul> |
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## Delivery Services

		Impact →				
		Very Low (1)	Low (2)	Medium (3)	High (4)	Very High (5)
Likelihood ↑	Very High (5)					
	High (4)			4	2	
	Medium (3)			5	2	
	Low (2)			3	2	
	Very Low (1)					

- Scale of the expectations of savings that the Leisure / Culture / Library review will deliver **(16)**
- Council's organisational culture could inhibit its ability to act more commercially **(12)**

### Integration of Mental Health & Disability

- Insufficient time to make required payroll changes could prevent the transfer of staff taking place on 1/4/18 **(12)**

### Preparation for future ADMs

- Insufficient resource (human and otherwise) to prepare for reviews of delivery units could lead to flaws in the review process **(16)**

## Customer Experience Programme

		Impact →				
		Very Low (1)	Low (2)	Medium (3)	High (4)	Very High (5)
Likelihood ↑	Very High (5)					
	High (4)			3	3	
	Medium (3)		1	4	4	
	Low (2)		1	1	1	
	Very Low (1)	1				

- Current uncertainty around the totality of funding required to deliver the Programme could result in insufficient funds being made available in a timely manner **(12)**
- Lack of necessary skills within the workforce could limit the potential benefits of change **(16)**
- Differing timelines and agendas of other agencies could undermine the level of support for the Programme **(16)**
- The need for acceptance of and compliance with implemented governance arrangements could delay some elements of the Programme delivery **(12)**
- The conflicting priorities and timelines of colleagues could affect their degree of engagement and the speed of implementation of change **(12)**
- Resistance amongst affected staff could inhibit the speed and degree of change **(12)**
- Political agenda might not support some of the options proposed **(12)**

## Assets Programme

		Impact →			
		Low (2)	Medium (3)	High (4)	Very High (5)
Likelihood ↑	Very High (5)				
	High (4)		1	1	
	Medium (3)		2	4	2
	Low (2)		1	6	8
	Very Low (1)		1		

- Wirral Growth Company could become unsustainable because of the level of debt held **(12)**
- Consequences of Brexit may have negative financial impact on Wirral Growth Company - e.g. increased costs of labour and / or materials **(16)**
- Need for a defined pipeline of assets for development in order to maximise success and investment opportunities for the Company **(15)**
- Lack of demand for commercial, residential, multi-use developments **(15)**
- Identifying sites for development could raise community expectations for delivery; but also potential objections **(12)**
- Skilled technical resources may not be sufficient to move at speed to take best advantage of commercial opportunities **(12)**

## DEVELOPMENT OF OTHER RISK REGISTERS

3.7 There remain a minority of Wirral Plan pledge strategies for which formal risk registers have yet to be produced. Initial work by the steering groups for four of these strategies was undertaken in November and December 2017. It is intended to develop the output from this work into risk registers before the end of the current financial year. Production of risk registers for the remaining strategies will be addressed in 2018/19.

3.8 The business planning process for Council directorates including requirements around the identification and recording of risk has been determined to support the development of service plans for 2018/19.

## 4.0 FINANCIAL IMPLICATIONS

4.1 There are no direct implications arising from this report.

## 5.0 LEGAL IMPLICATIONS

5.1 There are no direct implications arising from this report.

## 6.0 RESOURCE IMPLICATIONS: ICT, STAFFING AND ASSETS

6.1 There are no direct implications arising from this report.

## 7.0 RELEVANT RISKS

7.1 There are no risks arising directly from this report.

## 8.0 ENGAGEMENT/CONSULTATION

8.1 Arrangements for the production of risk registers for Pledge Strategies, the Transformation Programme and business plans were developed in consultation with the Intelligence and Change teams.

## 9.0 EQUALITY IMPLICATIONS

9.1 There are none arising directly from this report.

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## APPENDICES

2017/18 CRR Controls 281117

## REFERENCE MATERIAL

### SUBJECT HISTORY (last 3 years)

<b>Council Meeting</b>	<b>Date</b>
Audit & Risk Management Committee	21 <sup>st</sup> November 2017
Audit & Risk Management Committee	25 <sup>th</sup> September 2017
Audit & Risk Management Committee	12 <sup>th</sup> June 2017
Audit & Risk Management Committee	14 <sup>th</sup> March 2017