

**TO: THE EXECUTIVE
19 SEPTEMBER 2006**

**RISK MANAGEMENT STRATEGY
(Director of Corporate Services - Finance)**

1 PURPOSE OF DECISION

- 1.3 An exercise was undertaken recently to benchmark the Council's existing risk management arrangements with those authorities considered to be operating best practice. In addition, revised and updated Key Lines of Enquiry for the Use of Resources Judgement under the Comprehensive Performance Assessment (CPA) regime have also been published. Whilst existing arrangements are considered to be adequate further improvements are necessary if the Council wishes to embrace best practice in its risk management arrangements. The purpose of this report is obtain the Executive's approval to these improvements.

2 RECOMMENDATION(S)

- 2.1 **That the Risk Management Strategy and Guidance for Managers at Annex A be approved.**
- 2.2 **That the Executive's Terms of Reference be amended as follows:**

Constitution 3C – 1. Add, after the first sentence:- “The Executive has specific responsibility for ensuring that best practice risk management strategies and procedures are embedded throughout the authority.”

Constitution 3C – 2. Add to functions of Executive Member for Leisure and Corporate Services:- “19. To act as lead Member in relation to risk management”

3 REASONS FOR RECOMMENDATIONS

- 3.1 To ensure that the Council's approach to risk management continues to reflect best practice.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 The Council could decide to do nothing. As current arrangements are adequate this is a viable option in the short term. In the longer term the Council's arrangements would lag further and further behind best practice which would inevitably attract adverse comments from the Audit Commission and other inspectorates.

SUPPORTING INFORMATION

- 5.1 In 2003 the Council formalised its risk management arrangements through the establishment of a Strategic Risk Management Group. This Group is chaired by the Director of Corporate Services, with each department represented at Assistant Director level. The Group has prepared a Risk Management Policy Statement and

Corporate Risk Register, both of which were approved by the Executive in September 2003.

- 5.2 Following on from this the Group continued to develop and raise awareness of the Council's risk management arrangements. The most notable examples of this being the inclusion of risk assessments within departmental Service Plans and a detailed consideration of risk in all budget reports. The Group has also taken on an enhanced role covering business continuity planning and all aspects of health and safety.
- 5.3 After almost three years of operation the Director of Corporate Services commissioned a review of existing arrangements to ensure that the Council's approach remained fit for purpose and to identify those improvements that were necessary to remain so in the future.
- 5.4 At the same time the Audit Commission were consulting on changes to their Key Lines of Enquiry, used as a part of the Use of Resources Judgement for CPA purposes. The consultation exercise has now been concluded and revised criteria will be in place from 2007.
- 5.5 In response to the above the Strategic Risk Management Group has developed 'A Risk Management Strategy and Guidance for Managers' which is attached at Annex A. The document sets out a range of improvements which will ensure that the Council's risk management arrangements remain fit for purpose for the medium term. The more significant changes are summarised below:
 - That the Executive's Terms of Reference are amended to specifically recognise their responsibility for risk management.
 - That an Executive Member be nominated to act as lead Member for risk management.
 - That Members and Officers receive relevant risk management awareness training (the Strategic Risk Management Group will develop a programme to facilitate this) which will include the opportunity to review and refresh the Corporate Risk Register.
 - That the section in reports headed 'Other Officers' be amended to 'Strategic Risk Management Issues and Other Officers'.
 - That this strategy and the Corporate Risk Register be reviewed on an annual basis, with the latter being considered by the Executive as an integral part of the budget process.
 - That risk assessments remain a part of the Council's Service Plans. In addition to this Quarterly Operations Reports and the Corporate Performance Overview Report be used as a means of identifying and communicating to Members significant changes to the Council's risk profile. This could be achieved through the inclusion of a Risk Management heading within each report. As significant risk issues are usually included within Quarterly Operations Reports and the Corporate Performance Overview Report at present a reference to these would be sufficient rather than the addition of lengthy/repetitive text to the reports.
- 5.6 In developing this strategy the main objective has been to raise awareness of risk and the management of risk across the Council. Whilst the Corporate Risk Register

now needs to be updated and integrated further into the budget process the remaining improvements aim to codify and achieve consistency in what the Council is doing already.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

6.1 Nothing to add to the report.

Borough Treasurer

6.2 Having a robust and up to date approach to risk management is an important component of the budget process. With diminishing balances and the expectation of tough financial settlements for the foreseeable future it is vital that the Council identifies and takes action to mitigate significant risks as a part of its overall budget strategy.

Impact Assessment

6.3 There are no implications arising from this report

7 CONSULTATION

Principal Groups Consulted

7.1 Members of the Strategic Risk Management Group

Method of Consultation

7.2 Circulation of draft strategy

Representations Received

7.3 None

Background Papers

Corporate Risk Management Benchmark Exercise (Marsh)
Key Lines of Enquiry for Use of Resources (Audit Commission)

Contact for further information

Alison Sanders – 01344 355621
alison.sanders@bracknell-forest.gov.uk

Alan Nash – 01344 352180
alan.nash@bracknell-forest.gov.uk

Doc. Ref

G:\A Risk Management Strategy (Executive Sept 06).doc

**BRACKNELL FOREST BOROUGH
COUNCIL**

**A Risk Management Strategy and Guidance
for Managers**

BRACKNELL FOREST BOROUGH COUNCIL - RISK MANAGEMENT STRATEGY

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1. What is a risk?

A risk is defined as anything which could prevent the Council achieving its objectives. Risks also include opportunities to do things better which, if missed, might mean that objectives are only achieved over a longer period or more expensively than necessary. Both Officers and Members have key roles to play in Risk Management (these roles are detailed in Appendix 1).

2. Why do we need a risk management (RM) strategy?

RM is a vital part of management everywhere. If we do not assess the risks inherent in our services and projects, how do we know if we can achieve our objectives? Effective RM removes or minimises the effects of barriers which could prevent us achieving our objectives. RM leads to better quality services delivered earlier and at lower cost. The Society of Local Authority Chief Executives (SOLACE) puts it very bluntly: - "if a Council doesn't have effective risk management then it doesn't have effective management." The Comprehensive Performance Assessment expectation (Key Line of Enquiry (KLOE) 4.1) is equally blunt – the measure is simply that "the Council manages its significant business risks." RM, however, is not an end in itself, it is a method of avoiding/minimising the costs and disruption caused to the Council by identified, undesired events and making the best of opportunities.

3. Can we eliminate all risks?

No, an organisation that tries to eliminate all risks will make no progress. All achievements are based on an assessment of the balance of benefits to be gained and risks to be taken. A public sector organisation may be more risk averse than a large business enterprise but risks must still be taken, having been carefully evaluated.

4. What risks must we take?

It is a risk to leave a child with a family where there is a history of child abuse. It is, however, also a risk to take that child into care because outcomes are often better for the child if they remain with their natural parent(s). Obviously, in the caring services, fewer risks can be taken than in more business-focused services, such as Leisure Catering, where promotions, special offers and advertising will offer both business risk and business opportunity. The attitude to the amount of risk that is acceptable is called the '**risk appetite.**'

5. How do we measure risk?

Risk is usually measured on a simple grid which assesses the **likelihood** of the risk actually happening and the **impact** it would have if it did happen. Key risks are those that are most likely to happen and that would have the biggest negative impact on the Council's objectives. The process of measuring risks is explained in more detail in the guidance for managers in Appendix 2. A template for assessing high level, strategic risks is also attached in Appendix 3 and risk categories are listed in Appendix 4.

6. How can we reduce the risk?

Reducing or controlling risks is referred to as **mitigation**. Having assessed the risks, we can mitigate them in all sorts of ways. Avoidance is sometimes possible (e.g. not having sun beds in Leisure Centres because of the risks to customers). Taking out an insurance policy is a traditional way of transferring or sharing a risk. Putting an extra lifeguard on duty at the swimming pool would mitigate the risk of a customer drowning. Ensuring that each workplace has a qualified first aider is another example. Note that we can

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attempt to mitigate the likelihood of a risk actually happening or its impact or both. For example, imposing a 30mph speed limit at a dangerous junction should reduce the likelihood of accidents *and* the seriousness of injuries, whilst putting up crash barriers would only mitigate the impact (literally!) of any accident.

7. What will this Strategy do?

The Strategy is designed to: -

- Give managers the tools to identify the key, most significant risks to the objectives of their services and projects and to mitigate those risks where necessary and practicable
- Embed a consistent and corporate approach to RM in strategic, service and project planning and in decision-making in general
- Allocate responsibilities for the various tasks required for the management of risks
- RM is a crucial element of Corporate Governance. The Strategy will strengthen and update the RM aspects of Corporate Governance, in accordance with the adopted Local Code of Corporate Governance
- Outline an annual timetable, designed to ensure that strategic risks are re-evaluated, properly documented and reported regularly and consistently (Appendix 5)

8. What have we done already?

The Improvement Plan following the Best Value Review of Finance was adopted in 2002. The Plan included three specific steps to move towards best practice in our RM arrangements: -

- Establish a high level RM group within the Council to promote the establishment of best practice
- Develop, implement and monitor a RM policy for the Council
- Undertake a comprehensive risk assessment of the Council's business activities

9. The Strategic Risk Management Group (SRMG)

In response to the Improvement Plan, Corporate Management Team (CMT) considered a report that identified that most RM activities were being undertaken at a local, operational level but there was no corporate or consistent approach. CMT, therefore, agreed to establish the SRMG, chaired by the Director of Corporate Services (DCS) and with each Department represented at Assistant Director level.

10. The work of the SRMG

The SRMG has made good progress and meets quarterly. It has: -

- Devised a RM policy statement (attached as Appendix 6)
- Compiled a corporate risk register (summary attached as Appendix 7)
- Set up two sub-groups responsible for Emergency and Business Continuity Planning and Financial Risk respectively
- Grown in size to include the Assistant Chief Executive and the Emergency Planning Officer
- Been given an enhanced role to include business continuity planning and all aspects of Health & Safety

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11. What is next?

This RM Strategy is intended to move BFBC towards best practice and to respond to External Audit comments in their Use of Resources Judgement 2005. Their comments reflect the increased demands of the CPA in respect of RM. The criteria not complied with are identified as: -

- The risk management process is reviewed and updated at least annually
- All appropriate staff are given relevant training and guidance to enable them to take responsibility for managing risk within their own working environment
- The members with specific responsibility for risk management have received risk management awareness training
- Members with responsibility for corporate risk management receive reports on a regular basis and take appropriate action to ensure that corporate business risks are being actively managed, including reporting to full council as appropriate

12. **Proposed Response:** - “The risk management process is reviewed and updated at least annually.”

It is proposed to: -

- Review the RM Strategy on an annual basis (Head of Audit & Risk Management and SRMG, with significant changes needing approval from the Executive)
- Review the corporate strategic risk register on an annual basis (SRMG and CMT)
- Review 'local' strategic risks as part of the annual service planning process (Heads of Service)
- Challenge, moderate and summarise the risks identified in the Service Plans each year (SRMG)
- The Executive will receive the latest risk register annually for consideration and approval, as an integral part of the budget process.

13. **Proposed Response:** - “All appropriate staff are given relevant training and guidance to enable them to take responsibility for managing risk within their own working environment.”

It is proposed to: -

- Ensure CMT, SRMG and Heads of Service have sufficient knowledge and skills to perform the required duties in respect of RM
- Consider rolling out awareness training to staff in late 2006 and 2007
- Include RM awareness in the officer induction process
- Explicitly include RM within the Council's management competency framework and appraisal documentation when they are next reviewed

14. **Proposed Response:** - “The members with specific responsibility for risk management have received risk management awareness training”

It is proposed to: -

- Arrange training for the Executive by Autumn 2006
- Identify a lead member for risk management
- Arrange further training for the new Council after the May 2007 elections
- Include RM awareness in the member induction process

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15. **Proposed Response:** - “Members with responsibility for corporate risk management receive reports on a regular basis and take appropriate action to ensure that corporate business risks are being actively managed, including reporting to full council as appropriate”

It is proposed to: -

- Consider updating the Executive’s Terms of Reference to make specific reference to its duty to consider corporate RM issues.
- Identify significant RM issues in Quarterly Operations reports and the Corporate Performance Overview Report (CPOR) so that the Executive receives updates on a quarterly basis
- Continue to include a summary of RM progress in the Statement of Internal Control, which is approved formally, alongside the Statement of Accounts, by Final Accounts Committee each year
- Consider adding RM implications to all reports for any Member decision in the same way as financial and legal considerations are already included

ROLES AND RESPONSIBILITIES

Elected Members: -

- A lead Member will be nominated by the Executive and will take the lead on Risk Management (RM) issues
- The Executive will be asked to approve the Council's RM Strategy and any significant amendments to it
- On an annual basis the Overview and Scrutiny Commission will receive the Statement on Internal Control (SIC). This includes an assessment of the effectiveness of RM activities during the previous financial year and requires formal approval by the Final Accounts Committee
- The Executive will be presented with an updated Risk Register at least once per year for consideration and approval as an integral part of the budget process.
- Significant changes to strategic risks identified by Officers in-year will be reported in the Corporate Performance Overview Report (CPOR) for consideration by the Executive
- Members will be expected to attend any appropriate training to ensure they have adequate knowledge to perform their various roles
- It is suggested that RM considerations should be assessed on each report presented to Members, in the same way as financial and legal implications are reported currently

Corporate Management Team: -

- The Chief Executive will take overall responsibility for RM as the Head of the Paid Service
- The DCS will be the Officer 'champion' for RM
- All Directors will promote RM in their Departments and ensure that risks are properly assessed and managed at all levels in all their services
- Each Director will reassess risks in their annual service plans and report on significant in-year changes (or confirm no change) through the existing Quarterly Operations Reports (QOR)
- Each Director will ensure that RM is considered in any partnerships so that risks are understood and the responsibility for each risk is clear
- CMT will consider RM formally when they review the QOR
- Each Director will ensure that his/her representative on the Strategic Risk Management Group is at the appropriate level (i.e. Assistant Director) and that they contribute actively to the Group's activities and within the Department on all risk management issues
- CMT will be expected to attend any appropriate training to ensure they have adequate knowledge to perform their various roles
- RM performance will be included in each individual's performance assessment/appraisal

Strategic Risk Management Group (SRMG): -

- The SRMG acts as a "Corporate Risk Board," taking the lead in updating the Strategy, revising the Risk Register and reporting to Members on progress on RM
- The SRMG will seek to research good practice in RM and to adopt appropriate good practice in BFBC where beneficial
- SRMG members must act as the RM champions in their own Departments and raise awareness of RM

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- RM performance will be included in the individual's performance assessment
- A brief 'job description' has been devised for SRMG members to clarify and codify their role: -
 - SRMG members will attend the Group's meetings whenever possible
 - SRMG members will be pro-active in the work of the Group
 - SRMG members will support all staff in their Department in relation to risk management matters
 - SRMG members will facilitate Departmental Management Team discussions of RM matters by providing discussion papers, reports of areas of excellence and weakness etc.
 - SRMG members will have specific tasks and targets set for their RM work and will expect these to be formally reviewed during appraisals
 - SRMG members will undertake appropriate training to improve their effectiveness

Internal Audit

- The RM process should be audited and reviewed to provide assurance on its effectiveness
- Internal Audit Plans must be risk-based, with strategic risks being prioritised when reviewing systems
- Internal Audit reports must identify the perceived risks clearly and make SMART recommendations for mitigating or eliminating those risks
- The Head of Audit and Risk Management has a key co-ordinating role in drafting the annual SIC, in ensuring that the Corporate Risk Register is up to date/comprehensive and in using Internal Audit's resources effectively to provide assurance on the RM process and highlight necessary improvements

Heads of Service/Cost Centre Managers/Project Managers: -

- These managers are the experts on their services and projects and they must make regular and thorough risk assessments to identify significant strategic risks and mitigation where appropriate
- Risks must be included in Service Plans, Project Initiation Documents (PID) and in any report requesting budget provision, changes to service levels etc.
- Timely and complete RM information must be submitted in accordance with set timetables
- Risks must be monitored during the year and new or changed risks reported via the QOR
- RM topics should be on the agenda for team meetings regularly and at least quarterly. Project teams would expect to consider RM at most, if not all, of their team meetings
- Managers will ensure that RM is considered in any partnerships so that risks are understood and the responsibility for each risk is clear
- Managers will be expected to attend any appropriate training to ensure they have adequate knowledge to perform their role
- Undertake operational risk assessments
- RM performance will be included in each individual's performance assessment/appraisal

STRATEGIC RISK MANAGEMENT – GUIDANCE FOR MANAGERS

1. A risk is defined as anything which could prevent you achieving your objectives. As such, all significant risks must be evaluated and summarised in your service plans and Project Initiation Documents. Risks which change during the year need to be re-evaluated.
2. Risk management (RM) is a simple concept: -
 - o identify risks
 - o link these risks to your objectives which are threatened
 - o ensure that each risk has an 'owner'
 - o analyse the risks in terms of likelihood and impact
 - o assess any mitigation already in place
 - o consider any further cost effective and practical mitigation
 - o monitor the risks as the threat may change with time and circumstances

These simple steps are looked at in more detail in the following paragraphs and Appendix 3 provides a template for the assessment of strategic risks.

3. Risk identification should be undertaken on at least an annual basis, when Service Plans are reviewed or when a new project is under consideration. When you review your objectives, you must review your risks, as even slightly different objectives may well bring different risks.
4. Link each risk to your objectives. Keep it simple, though, and only link each risk to one or two objectives where its impact could be critical. As we know, a risk is anything which could prevent you achieving your objectives so, if you cannot link the risk to an objective, it is not a risk!
5. Ensure that each risk has an owner. This may be you but, if not, make sure that the owner understands the fundamentals of RM and that they are clear what their responsibilities are.
6. Analyse the risks in terms of likelihood and impact. This sounds quite daunting but, again, it can (and should) be kept simple. Likelihood is your assessment of the probability that the risk will happen. Impact is your assessment of the effect the risk happening will have on your objectives. Sometimes you may have statistics (e.g. of the number of hours a part of a machine can be expected to last before failing) but, generally, this is not an exact science. The point is that you know your services and/or your projects and your subjective view is the one that counts. When assessing impact, however, it is important that the impact on reputation/bad publicity is considered (e.g. £100 theft is low impact but even a minor personal injury, especially to a customer, would probably be high impact).
7. A simple table can be used to 'score' risks, with both likelihood and impact being scored 'high' (3), 'medium' (2) or 'low' (1). By multiplying the two scores together, we can generate an overall score for each risk as shown in the table below: -

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IMPACT	High – 3	3	6	9
	Medium – 2	2	4	6
	Low – 1	1	2	3
		Low – 1	Medium – 2	High – 3

LIKELIHOOD

8. You should score each risk allowing for the mitigation already in place. So, for example, if up to date written procedures are in place, this may reduce the impact of key staff leaving because their replacements would be easier to train but it would not reduce the likelihood of key staff leaving. Conversely, paying market supplements to key staff would reduce the likelihood of them leaving but the impact, if they did leave, would be unchanged.
9. For the key risks (probably those scoring 4 or more), you should look for more mitigation measures. These must, however, be practical, affordable and proportional.
10. If risks cannot be mitigated to an acceptable level, then consideration has to be given to amending objectives where possible, or flagging up the risk to management and members where objectives cannot be amended (e.g. where the objective reflects a statutory duty).
11. The Strategic Risk Management Group (SRMG) includes at least one representative from each Department. Your representative will be available to help you assess your risks and consider mitigation measures with you.
12. The SRMG will 'moderate' the risks identified to ensure consistency, to avoid unnecessary duplication and to ensure overlapping risks between services or projects are understood and dealt with efficiently. The SRMG will also consolidate the risks from across the Council into a Corporate Risk Register.
13. Managers will be expected to monitor their risks and the risk scores to ensure that new or changed risks are brought to the attention of management and members. It is intended that this will be achieved via the Quarterly Operations Reports to CMT and the Corporate Performance Overview Report to the Executive.

TEMPLATE FOR STRATEGIC RISK ASSESSMENT

1. DETAILS OF RISK

Description of Risk:

Departments/Services Affected:

Likelihood: 1 Low/2 Medium/3 High
Impact: 1 Low/2 Medium/3 High
Risk Score:

2. IMPACT OF RISK

Outline how this will affect the achievement of the Council's Medium Term Objectives and the outcomes contained within the Department's Service Plan.

3. ACTION TAKEN/REQUIRED TO MITIGATE RISK

Action Taken/Required	Responsible Officer	Timescale

4. FURTHER INFORMATION

**Included in Service Plan/
 Quarterly Operations Report*:** Yes/No* Date: Initials:

Corporate Risk Register Updated: Yes/No* Date: Initials:

Budget Monitoring Report: Yes/No* Date: Initials:

* Delete as applicable

CATEGORIES OF RISK

Risks can be divided into strategic and operational.

Strategic risks are those that need to be taken into account by Members and senior management in setting the medium and long term objectives of the Council. These include the following categories: -

- Political – risks associated with failure to deliver central government policy or to meet the local ruling Group's manifesto commitments
- Economic – risks preventing the Council meeting its financial commitments e.g. because of internal budget pressures or 'capping'
- Social – risks arising from demographic or socio-economic trends (e.g. ageing population and changing birth rates)
- Technological – risks arising from failed ICT projects or failure to deal with the pace and cost of technological changes
- Legislative – risks associated with failing to conform with UK or European legislation such as EU procurement legislation and TUPE
- Environmental – risks arising from the pressure to, for example, reduce emissions or reduce use of landfill
- Competitive – risks stemming from the competitiveness of services in terms of cost and quality (including Best Value considerations)
- Customer/Citizen – risks arising from the existing and changing needs and expectations of customers and citizens

Operational risks are those which managers and staff will encounter on a day-to-day basis in trying to achieve their individual and service objectives. These include the following categories: -

- Professional – risks associated with the nature of each profession, for example, social workers working with children at risk or accountants setting budgets
- Financial – risks arising from financial planning and monitoring and the adequacy of insurance cover
- Legal – risks arising from breaches of EU or UK legislation
- Physical – risks to health and safety, security etc.
- Contractual – risks arising from the possibility of contractors failing to deliver services on time to the agreed cost and specification
- Technological – risks associated with dependence on IT systems, plant, machinery, vehicles etc.
- Environmental – risks arising from pollution, noise, lack of energy efficiency etc.

Note that these categories cannot be taken in isolation. For example, the proposal to build a new factory may be an **economic** and **political** strategic opportunity but there may be **professional** (e.g. planning) operational risks and also unwanted **environmental** consequences at both strategic and operational levels.

This Appendix is adapted from "Shorten the Odds" published by the Accounts Commission for Scotland, July 1999 (pages 7 & 8).

AN ANNUAL CYCLE FOR RISK MANAGEMENT

APRIL

The Statement on Internal Control (SIC) for the previous financial year, including a summary of Risk Management (RM) progress and activity, is drafted by the Head of Audit & Risk Management.

MAY

The SIC is considered and commented on by the Overview & Scrutiny Commission.

JUNE

The SIC is considered and formally approved by the Final Accounts Committee alongside the Statement of Accounts

JUNE – AUGUST

The RM Strategy is reviewed and refreshed by Strategic Risk Management Group (SRMG).

New RM Strategy approved by CMT (if changed significantly).

New RM Strategy approved by Executive (if changed significantly).

SEPTEMBER – OCTOBER

Corporate Management Team and SRMG review the existing Corporate Risk Register, mitigating actions in place and additional mitigation required.

NOVEMBER – JANUARY

Cost Centre Managers reassess the risks in their Service Plans (in the light of the latest RM Strategy and Corporate Risk Register) and risks are discussed at appropriate team meetings.

SRMG consolidates the risks into the Corporate Risk Register, ensuring consistency.

FEBRUARY

The updated Corporate Risk Register is reported to Council as an integral part of the budget submission.

RISK MANAGEMENT POLICY STATEMENT 2003

Bracknell Forest recognises that, as a large and multi-functional organisation, it is exposed to a wide variety of risks and is, therefore, committed to the proper management of those risks in order to protect: -

- Service delivery
- Key service objectives
- Physical assets
- Financial resources
- Human resources
- Stakeholders' interests
- Public perception

Risk management is a continuous process that demands awareness and action. This policy requires elected members, officers and staff to assist in and take responsibility for the control and reduction of risk to minimise the possibility and impact of losses or disruption. The efficient and effective management of risk therefore forms a part of the Council's overall operational objectives.

The Council's Strategic Risk Management Group is responsible for the implementation of a unified risk management strategy, the promotion of risk awareness and the monitoring of the effectiveness of risk management measures undertaken.

This policy is consistent with other policy statements issued by the Council, including health and safety.

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Appendix 7

CORPORATE RISK REGISTER – SUMMARY 2003

No.	Corporate Risk	Likelihood	Impact	Risk Score
1	Personnel issues – loss of a key member of staff, or groups of staff.	Medium (2)	High (3)	6
2	A significant reduction in resources available to the Council, either through reduced funding, higher costs, a major budget overspend or as a result of changes to national or European legislation (such as Social Rent Reform).	Medium (2)	High (3)	6
3	Failure of a major contractor, partnership or joint working to deliver a service.	Medium (2)	High (3)	6
4	Failure to meet performance and standards requirement, including as a result of changes to national or European legislation.	Medium (2)	High (3)	6
5	Failure to meet the Local Public Service Agreement targets.	Medium (2)	High (3)	6
6	Loss of systems and data (both ICT and paper-based).	Medium (2)	High (3)	6
7	Failure to proceed with the redevelopment of Bracknell town centre.	Medium (2)	High (3)	6
8	A major incident within the Borough.	Medium (2)	High (3)	6
9	Impact of demographic or socio-economic changes on the demand for services.	High (3)	Medium (2)	6

The need to review the risk register is evidenced by the clear omission of strategic risks that have emerged since 2003 e.g. the impact of the Special Protection Area, the financial deficit within the local health economy, the decision to put stock transfer to a ballot etc.