

**RIBBLE VALLEY BOROUGH COUNCIL** DECISION  
**REPORT TO ACCOUNTS AND AUDIT COMMITTEE**

Agenda Item No 8

meeting date: 29 JUNE 2010  
 title: RISK MANAGEMENT UPDATE  
 submitted by: DIRECTOR OF RESOURCES  
 principal author: LAWSON ODDIE

1. PURPOSE

- 1.1 To provide members with an update on the current areas of high risk for the council and to ask members to acknowledge the risks that are highlighted
- 1.2 It is imperative that members recognise the significance of any areas that are highlighted as high risk.

2. BACKGROUND

- 2.1 The Council's risk management approach is not designed to be used in isolation, but is designed to form an integral part of the performance management approach of the Council.
- 2.2 Each risk is assessed based on a 'traffic light' system showing high (red), medium (amber) and low (green) risks. There are documented criteria for assessing whether the likelihood and impact of a risk should be assessed as high, medium or low.
- 2.3 Risks are scored based on their gross and net likelihood and impact levels, gross being the likelihood and impact level if no controls were in place and net being the level once controls have been considered. Risks are then allocated an overall risk score based on these levels. The scores are assigned using the matrix as shown below.

**Risk Matrix**

|               |                   |                |                |                |
|---------------|-------------------|----------------|----------------|----------------|
| <b>IMPACT</b> | <b>High</b>       | <b>Amber 6</b> | <b>Red 8</b>   | <b>Red 9</b>   |
|               | <b>Medium</b>     | <b>Green 3</b> | <b>Amber 5</b> | <b>Red 7</b>   |
|               | <b>Low</b>        | <b>Green 1</b> | <b>Green 2</b> | <b>Amber 4</b> |
|               |                   | <b>Low</b>     | <b>Medium</b>  | <b>High</b>    |
|               | <b>LIKELIHOOD</b> |                |                |                |

- 2.4 All service managers have access to the risk management system and are responsible for maintaining risks on a regular basis. Certain other key officers have also been provided with access to the system where Service Managers have thought it appropriate. These officers are responsible for reviewing risks. However, ultimate responsibility for the risks remains with the Service Managers.

2.5 There may be a large number of risks that would initially be scored as a Red Risk based on the gross likelihood, however once controls are put in to place to mitigate this risk the resulting number of Red Risks is substantially reduced.

### 3. RED RISK REGISTER

3.1 Risks with a high level of likelihood and high impact are classified as Red Risks. Due to the nature of these risks, members are asked to review and acknowledge these risks at each meeting of this committee

3.2 As there is potentially a large number of Gross Red Risks, this report to committee looks to review only those with a Net Red Risk, after mitigating controls have been put in to place

3.3 By the nature of risk, the red risk register can change on a daily basis, and as such this report provides a snapshot of the red risks at a point in time. Any substantial change from the red risks provided with this report will be updated to members verbally at the meeting.

3.4 There are currently 5 risks which are highlighted as Red Risks and these are details at Annex 1 to this report. The risks are in the service areas of:

- Community Safety Partnership (*2 Red Risks*)
- Forward Planning (*1 Red Risk*)
- Three Stream Waste Collection (*1 Red Risk*)
- Town Centre Management (*1 Red Risk*)

### 4. CONCLUSION

4.1 There are a low number of Red Risks to report, however due to the changing nature of risk it is important that staff keep a regular review of known risks and look for evolving new risks.

### 5. RECOMMENDED THAT COMMITTEE

5.1 Review and acknowledge the red risks that are attached to this report at Annex 1

### FINANCIAL SERVICES MANAGER

AA16-10/LO/AC  
22 June 2010

## Red Risk Register

| Risk Title   | Description  | Gross Likelihood | Gross Impact | Gross Risk Level | Net Likelihood | Net Impact | Net Risk Level | Risk Owner |
|--|--|------------------|--------------|------------------|----------------|------------|----------------|------------|
| <b>Community Safety Partnership</b>                  |  |                  |              |                  |                |            |                |            |
| Under-resourcing - reluctance to fund administration | <p>The partnership receives insufficient funding, resulting in less prevention initiatives to be carried out.</p> <p>2009/10 - Funding is no longer provided directly to the CSP by the GONW. Funding is now given to LCC in the form of an Area Based Grant. 73% of the grant is revenue funding and 27% capital. LCC pass on 75% of the 73% revenue funding to the CSP.</p> <p>2010/11 - Area Based Grant is still used to fund the partnership. It is anticipated that this will be the last year that funding will be received through the grant. Funding for future years is very uncertain.</p>  | High             | High         | 9                | High           | Medium     | 7              | Bill Alker |
| Merger of RVCSP into Countywide partnership          | <p>Merger of the RVCSP with other districts to form a Police Footprint CSP (ie Ribble Vally, Hyndburn &amp; Blackburn Councils). This would reduce the funding of local problems, autonomy and recognition of the partnership.</p> <p>Merger expected to take place in 2 stages:<br/> - merge the Lancashire Safety Board into the Lancashire Criminal Justice Board (strategic level). This board will act as an umbrella group over the CSP's - discussions will take place later in the year (2010) as to whether to merge CSP's. If this gets the go ahead then mergers will probably take place based on police footprints ie RV will merge with Blackburn and Hyndburn.</p> <p>May 2010 - discussions currently in place regarding the potential merger.</p> | High             | High         | 9                | High           | High       | 9              | Bill Alker |

## Red Risk Register

| Risk Title                           | Description   | Gross Likelihood | Gross Impact | Gross Risk Level | Net Likelihood | Net Impact | Net Risk Level | Risk Owner                    |
|--------------------------------------|---|------------------|--------------|------------------|----------------|------------|----------------|-------------------------------|
| <b>Forward Planning</b>              |   |                  |              |                  |                |            |                |                               |
| Land not available for employment    | Land is not available to meet employment needs  | Medium           | High         | 8                | Medium         | High       | 8              | Colin Hirst                   |
| <b>Three Stream Waste Collection</b> |   |                  |              |                  |                |            |                |                               |
| Breach of Legislation                | Statutory legislation is not complied with  | High             | High         | 9                | Medium         | High       | 8              | Graham Jagger<br>Brian Knight |
| <b>Town Centre Management</b>        |   |                  |              |                  |                |            |                |                               |
| Lack of Resources                    | Services cannot be undertaken due to funding problems. No partnership arrangement funding | High             | Medium       | 7                | High           | Medium     | 7              | Colin Hirst                   |