



Subject:	Corporate Risk Management Update
Date:	20 January 2017
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1.0	Purpose of Report or Summary of main Issues
1.1	The purpose of this report is to provide Members with an update on the progress being made to manage the corporate risks that are of direct relevance to the Strategic Policy and Resources Committee.
2.0	Recommendation
2.1	The Committee is asked to; <ul style="list-style-type: none">Note the progress being made to manage the corporate risks and the proposed six monthly process for reporting. These are summarised at section 3.3 below and appended.
3.0	Main report
3.1	The new corporate risk management process Members will recall that the corporate risk register and related processes were subject to a fundamental review in 2015-16. This included a review and re-score of all the corporate

risks, including target risk scores. For each corporate risk a “Risk information form” was produced, detailing relevant controls, proposed actions (including timescales) and responsible officers. It was also agreed that management would begin to report to the relevant committees on the progress being made to manage these key risks.

3.2

Managing Corporate Risks to an Acceptable Level

CMT have reviewed and, where appropriate, have updated the assessment of the corporate risks, the results of which are plotted on to the corporate risk map (see Appendix 1). The corporate risk map shows the progress that is being made to manage the corporate risks.

The risks of particular relevance to the Strategic Policy and Resources Committee are as follows:

Ref.	Risks
1	ERDF projects - ERDF claw backs and financial penalties lead to BCC cost increases. In addition, failure to deliver project outcomes also presents a financial risk in addition to the reputational damage to the Council.
2	Information governance - Poor information governance results in non-compliance with legislation and best practice standards.
6	H&S - Failure to protect the Health and Safety of employees and others and ensure compliance with Health and Safety legislation.
7	Physical Investment Programme - Failure to deliver the Physical Investment Programme within the affordability limits of the Council
8	Asset maintenance - Fail to resource, plan for and undertake appropriate maintenance of current and new assets (vehicles and buildings) that delivers value for money.
9	Agreement / delivery of Community Plan - 1. Fail to secure agreement and buy in from key partners for the Community Plan / Belfast Agenda 2. Failure to implement and deliver targets for the Community Plan / Belfast

		Agenda
	10	Change management - If we do not manage change effectively then we will not deliver the Belfast Agenda / Community Plan.
	11	Strategic Planning / Corporate Frameworks - We don't have corporate frameworks in place to deliver the Belfast Agenda and Corporate Plan.
	14	Leisure estates programme - Fail to deliver the Leisure Estates Programme
	15	Financial position of the Council - Failure to secure the financial position of the council in a sustainable way
3.3	<p>Management have now prepared progress update reports on the above corporate risks and these are attached in appendices 2 to 9 of this report.</p>	
	<p>Issues emerging from the progress update reports</p>	
	<p>Some of the key issues arising from the progress updates are drawn out below.</p> <ul style="list-style-type: none"> a) Of the sixteen corporate risks, reports have been produced for fifteen risks. The 1 exception relates to the Strategic Planning and Corporate Frameworks risk. With regard to this risk, the Deputy Chief Executive and Director of Finance and Resources has indicated that this involves an extensive piece of work. It therefore needs to be properly scoped and planned before the actions can be put in place to manage the risk. b) Management has indicated that the Leisure Estates Programme risk has reduced and moved closer to its target risk rating. The risk reduction has been attributed to ongoing controls which are in place to manage this risk, including the establishment of a Programme Office and the assignment of dedicated internal resources to the Leisure Programme and also the progress made to date. Through the ongoing improvement programme, management are working towards achieving the target risk rating. c) Management have indicated that the Community Planning risk has also reduced 	

and moved closer towards its target risk rating. The reduced risk rating takes account of the recent agreement and launch of the draft Belfast Agenda, with focus now turning to establishing systems and processes to ensure that the targets are delivered.

- d) Members will be aware that the **ERDF project risk** was related to four key projects – Girdwood Community Hub, the Innovation Factory, the Waterfront Exhibition and Conference Centre and the infrastructure at the North Foreshore. All delivery on all of these projects has now completed and the assets have been handed over to the relevant departments/Standing committees and are all now operational. The risk level in relation to the ERDF Projects has not reduced yet, which recognises that the focus until recently has been on delivery of the physical buildings, and that further work is required to shift the focus to monitoring the delivery of the agreed outcomes. However this risk should reduce, once these new arrangements are fully implemented.
- e) Management have amended the risk description in relation to **Asset Maintenance** from “Failure to plan for and undertake appropriate maintenance of current and new assets (vehicles and buildings) that delivers compliant assets fit for purpose while offering value for money” to “A failure *to resource*, plan for and undertake appropriate maintenance of current and new assets (vehicles and buildings) that delivers compliant assets fit for purpose while offering value for money” recognising that the additional assets that have been taken on will require additional resources, both financial and resources. Reflecting this, the risk assessment remains the same
- f) Members will be aware that the Council continues to deliver a substantial **Physical Investment Programme** and the risk assessment level for this risk has therefore not been reduced. However Members will be aware that over £100m of projects have been completed within the past year and it is key that the outcomes from this investment are delivered. Management are therefore looking at how ensuring that the benefits from the Council’s overall physical programme are maximised and how this is encapsulated within the risk framework
- g) The risks relating to **Strategic Planning and Corporate Frameworks** and **Change Management** either relate to new areas of work for the Council that are at quite an

<p>3.4</p> <p>3.5</p> <p>3.6</p>	<p>early stage or relate to existing areas that require major programmes of work.</p> <p>h) The risks relating to Information Governance and the Financial Position of the Council relate to established areas of work for the Council but further work is required before the risk assessment can be reduced.</p> <p>i) The Health & Safety risk, at the request of members, was reported to SP&R Committee in September 2016 and is not included here.</p> <p>Progress Updates to Committee</p> <p>In order to ensure that members have an understanding of the corporate risks and have clear information on how they are being managed, we propose that the Strategic Policy and Resources Committee is provided with progress update reports on a six monthly basis, unless of course reports are required more urgently.</p> <p><u>Financial & Resource Implications</u></p> <p>None.</p> <p><u>Equality or Good Relations Implications</u></p> <p>None.</p>
<p>4.0</p>	<p>Appendices – Documents Attached</p> <p>Appendix 1 – Corporate Risk Map – Current Risk Assessment</p> <p>Appendix 2 – ERDF Projects</p> <p>Appendix 3 – Information Governance</p> <p>Appendix 4 – Physical Investment Programme</p> <p>Appendix 5 – Asset Maintenance</p> <p>Appendix 6 – Agreement and Delivery of Community Plan / Belfast Agenda</p> <p>Appendix 7 – Change Management</p> <p>Appendix 8 – Leisure Estates Programme</p> <p>Appendix 9 – Financial Position of the Council</p>