

AGENDA ITEM

**REPORT TO AUDIT COMMITTEE
24 August 2009**

**REPORT OF CORPORATE
DIRECTOR OF RESOURCES**

**CORPORATE RISK REGISTER PROGRESS REPORT
QUARTER 1 2009/10 – PERIOD ENDING 30 June 2009**

PURPOSE OF REPORT

The Committee is reminded that quarterly reports on the Corporate Risk Register are presented for the purpose of reviewing the key risks that have been identified as having the potential to deflect services from achieving their objectives over the next 12 months and beyond. They also set out the actions being taken to ensure that the risks, and possible adverse outcomes, are minimised.

DETAIL

1. The Committee has requested that, in the absence of substantial changes to the register, quarterly reporting should be confined to highlighting significant additions and amendments since the previous update, with a detailed report incorporating a review of the Council's risk management process being produced annually at the end of Quarter 4.
2. This interim report covers the period 31 March to 30 June 2009. All Service Groups have been consulted subsequently and the responses received show that there have been some changes to the Authority's risk profile over the months in question. These comprise the deletion of two existing risks, the integration of two others and, updating of a number of the current entries. There have been no new entries to the register during this quarter.
3. The changes since the last reported position are as more particularly described below:

4. The risks that have moved below the corporate reporting threshold and which have therefore been removed from the register can be summarised as under:

Service Area	Previous Risk Nos.	Revised Risk No.	Risk Issue	Amendment Details
CECSC - Children & Young Peoples' Operations /Strategy and Adult Operations / Strategy	4	Removed from Register	BSF Programme Building Schools for the future - continuity / failure / late delivery	The programme remains in a strong position and is on target to provide the BSF Outline Business Case to PfS/DCFS in October 2009. Programme is reviewed regularly against set criteria laid down by PfS. PfS and OSC have expressed confidence in the managing of the programme. A BSF Risk register is continually maintained and reviewed to effectively manage risks. Robust processes in place reducing likelihood to 3.
D&NS	11	Removed from Register	Stockton Riverside	Q1 2009-10 ONE Single Programme is to be requested for support funding for the acquisition of the Glynn Webb site with a Project Initiation & Panning Form submitted in July 2009. The Genecon Economic Appraisal work will be completed in August back up the Investment Plan for Stockton Central Area

5. The former separate entries in the register for risks associated with Equal Pay claims and Single Status issues have now been combined in view of progress made with the Job Evaluation process and towards implementation of the Single Status Agreement making residual risks synonymous. The remaining changes this Quarter comprise updating of the general management information for individual risks, and the latest reordering of entries in the risk register as below:

Service Area	Previous Risk Nos.	Revised Risk No.	Risk Issue	Amendment Details
CECSC CYP Operations/Strategy & Adult Operations/Strategy	2	2	Serious injury/death leading to a Serious Case Review	The likelihood remains high as a result of an increase in the volume of referrals attributed to the affects of publicity from the Baby P case. There has also been an increase in numbers on the Child Protection Register. Difficulties continue with recruitment and retention of experienced staff. In view of these factors the current risk rating (20) is to be maintained

Service Area	Previous Risk Nos.	Revised Risk No.	Risk Issue	Amendment Details
D & NS Housing Regen	3	3	Mandale, Hardwick & Parkfield redevelopment projects	<p>Q1 2009-10 Mandale continues to perform well in the current economic climate. Keepmoat & Nomad E5 completed a land sale in Phase 2 which generated an income of £315,992. Barratts are also hoping to commence work on Phase 2 as have only 9 properties left to sell on Phase 1. We have pulled together an action plan which summarises achievements to date and identified further short, medium & long term objectives for the scheme.</p> <p>At Hardwick we received a capital receipt of £3,493,302 on the 1st July. Build activity has slowed however and we are working on initiatives to boost this activity including an innovative rent to buy model. We have pulled together an action plan which summarises achievements to date and identified short, medium and long term objectives for the scheme.</p> <p>Parkfield Phase 1 - the site is mothballed there are discussions ongoing between TVHG and Dunelm to start back on site. We have received verbal confirmation that the HCA funding for Parkfield Phase 2 will be forthcoming; we are yet to receive details of the timing and conditions associated with it. Aldi have now submitted an application for a Supermarket to front onto Yarm Lane. We are in discussions with other commercial owners in order to secure the much needed 'frontage'.</p>
CESC Adult Strategy	7	6	Personalisation Agenda	To limit potential impact notional budget amounts have been reduced by 20%. However given demographic changes potential impact and likelihood remain at 4,
D&NS	9	8	Billingham House	<p>Q1 2009-10. The Council lodged its case for prosecution of Bizzy B for non-compliance with the S78 notice on 28th May 2009. Bizzy B were issued with a summons to Teesside Magistrates Court on 30th May 2009. Bizzy B's legal representatives requested an adjournment so that they had further time to consider the Council's case and take instructions from Bizzy B. The Magistrate granted an adjournment to 14th July 2009 at which time Bizzy B will be required to enter a plea. If a 'guilty' plea is entered a punishment will be determined at the first hearing. If a 'not guilty' is entered a second hearing would be anticipated within 6-8 weeks (early Sept. 2009) to determine the case. If Bizzy B are found not guilty the Council would be liable for £10K of legal fees for both parties, however, if they are found guilty they could be fined up to £2500 plus £2 per day for every further day that they are in breach of the notice, plus be ordered to cover the Council's legal costs. Further delays in complying with the notice may force the Council to consider doing the demolition/refurbishment works in default and recharging Bizzy B for the costs. This could be up to £1million. If costs cannot be recouped from Bizzy B the Council could put a charge against the property on the Land Register.</p>

D & NS	10	9	Stockton Northshore Development	Q1 2009 - 10 Outline planning has been granted subject to the signing of the Section 106 agreement. Design & assessment work has commenced on the Home Zone element of the scheme.
D & NS	12	10	TS Kellington	Q1 2009-10 The demolition works are now well underway with the final cutting and lifting planned for mid-August 2009. The lift has some risk attached to it, however the danger of sinking has now receded and the risk score remains at 16.
D & NS	13	11	Brunswick Chapel	Q1 2009 - 10 Risk issue, Description of Risk, Description of impact and Existing Control measures revised in line with report to Cabinet on 9th July 2009 Actions: SBC are in the process of contacting interested parties with a view to demonstrating to English Heritage that all possible avenues for securing the future of the building have been exhausted.
Resources	15 & 17	13	Equal Pay Claims and Single Status	Negotiated settlement achieved in relation to 'at risk groups'. Consultation on Single Status Agreement completed using Single Table bargaining process. Craft workers settlement agreed.

6. The total number of significant risks in the Corporate Risk Register has thus reduced from 17 at the end of March 2009 to 14 at the close of the current Quarter.
7. For purposes of record, the changes referred to above have been incorporated in the latest version of the full Corporate Risk Register. This will be made available in the Member's Library and an electronic copy incorporating the supporting risk assessment details (accessed by double-clicking the embedded risk issue logo), is to be placed on the intranet (Toolkit/Risk Management & Insurance/Risk Management/Corporate Risk Register).

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Financial Implications

The successful identification, assessment and management of risks are fundamental to proper performance of the Council's fiscal duties and responsibilities.

Environmental Implications

Good risk management practice supports the Council's objectives for securing a safe and attractive environment for current and future generations.

Community Safety Implications

Effective risk management is an essential element of fulfilling objectives in relation to community safety and well-being.

Background Papers

Annual Risk Management Report to Audit Committee 29 June 2009

Risk Management Guidance Notes for Elected Members – December 2006
SBC Guidance for Strategic Risk Identification and Assessment.
Report to Cabinet 30.5.02 – A Code of Corporate Governance.
CIPFA/SOLACE Corporate Governance Publication (2001).

Education Related Item?

No.

Risk Assessment

As the risk management programme is achieving its objectives and there has been an improvement in the Audit Commission's assessment of how well the Council manages its risks, this can be considered a low risk area.

Ward(s) & Ward Councillors

Not Ward specific.