

## **AC26. Corporate Risk Management Update**

The committee considered a report by the Director of Corporate and Housing Services presenting a revised summary of corporate risks together with an update in progress made in embedding the Corporate Risk Management (CRM) policy and framework.

The Audit committee had, on 18 April 2016 (ref AC11), agreed to refer the revised CRM policy and framework to the Executive for approval together with the Corporate Risk Register. Both had been approved by the Executive on 17 May 2016 (ref EX13). In approving the documents, the committee had requested 6 monthly updates on progress in embedding the CRM policy and framework.

Services had participated in risk workshops and were currently finalising their individual risk reviews. These will include “worst case” scenarios, key controls and lessons learned. A summary of corporate risks was provided. Additionally, the Corporate Risk Management Group and the Council’s Corporate Management Team had agreed that a CRM training plan would be implemented (for members and officers) and that a risk workshop for members and Corporate Management Team would be held in early 2017. Services were currently embedding Service Risk Management arrangements as part of the Service Performance Planning process.

An audit of the CRM arrangements had been undertaken by West Lothian Council and this had resulted in substantial assurance being provided.

The Chief Finance Officer explained the risk “insufficient funding to deliver services and deliver outcomes”, following a question and summarised the mitigating factors. Members of the committee highlighted the costs of building Council housing and questioned whether, on the basis of the costs provided within previous reports to the Executive, they represented best value. The Chief Executive summarised the factors which contributed to the costs per unit and undertook to provide members with a breakdown.

In regard to the risk of insufficient funding itself, members sought clarification of those services deemed to be “statutory” as opposed to “discretionary”. In responding, the Chief Executive suggested that as budgets become tighter, Councils had to look at the services they must provide and how they provide them. The Chief Finance Officer set out the likely timetable for setting the 2017/18 budget and confirmed that a funding gap of £20m was projected.

The Head of HR and Business Transformation then confirmed that the proposed CRM workshop would be held before April 2017 and that this was in line with previous advice to members.

The committee considered the risks relating to adult services. The Chief Executive confirmed in response to a question, that the Council had sufficient officers to meet its statutory obligations. The Head of HR and Business Transformation undertook to provide members with detail of the mitigating actions in regard to Self-Directed Support.

The committee discussed the Council's budget setting process and sought information on how Council will engage and consult with staff, stakeholders and the public. The Chief Finance Officer confirmed that officers' proposed savings options would be considered by the Executive in October and engagement/consultation would begin after this. This would include staff briefings and public discussion, for example with community councils. The Head of Policy, Technology and Improvement confirmed that an engagement strategy had been agreed by the Executive in 2015.

## **Decision**

**The committee noted:-**

- (1) the summary of very high and high Corporate Risks as detailed in appendix 1 of the report, and the Summary of Medium Corporate Risks at appendix 2 of the report; and**
- (2) that a Corporate Risk Management update will be provided to the Executive on 18 October 2016.**