

**BIRMINGHAM CITY COUNCIL****PUBLIC REPORT**

<b>Report to:</b>	<b>CABINET COMMITTEE – GROUP COMPANY GOVERNANCE</b>
<b>Report of:</b>	<b>Corporate Director – Finance &amp; Governance</b>
<b>Date of Decision:</b>	<b>12 December 2018</b>
<b>Subject:</b>	<b>Group Company – Risk Register</b>
<b>Wards affected: All</b>	
<b>1 Purpose</b>	
1.1	To provide Members with information on the management of risks and issues within entities linked to the Council.
1.2	Members are asked to consider the potential risks that the Council faces and the actions being undertaken to mitigate the impact of those risks.
<b>2 Decisions recommended:</b>	
	Members are recommended to:
2.1	Consider the information provided
2.2	Determine whether the judgement on the risks are reasonable and assess whether mitigating actions are sufficient to reduce the risks to the Council to an acceptable level.

**Contact Officer:** Clive Heaphy  
**Telephone No:** 0121 303 2950  
**E-mail address:** [clive.heaphy@birmingham.gov.uk](mailto:clive.heaphy@birmingham.gov.uk)

**Contact Officer:** Martin Stevens  
**Telephone No:** 0121 303 4667  
**E-mail address:** [martin.stevens@birmingham.gov.uk](mailto:martin.stevens@birmingham.gov.uk)

### **3 Compliance Issues:**

- 3.1 Are Decisions consistent with relevant Council Policies, Plans or Strategies?:  
The Council operates and delivers services through a number of different vehicles. The Council needs to consider the risks of delivering through arms-length arrangements so that Council policies can continue to be implemented.
- 3.2 Relevant Ward and other Members/Officers etc. consulted on this matter:  
The Chair of the Committee has been consulted.
- 3.3 Relevant legal powers, personnel, equalities and other relevant implications (if any):  
The Section 151 Officer has a duty to ensure the proper administration of the Council's affairs. The Accounts and Audit Regulations 2015, requires the Council to have effective arrangements for the management of risk.
- 3.4 Will decisions be carried out within existing finances and resources?  
Yes
- 3.5 Main Risk Management and Equality Impact Assessment Issues (if any):  
This report considers the main risks that the Council faces as a result of its operation through and partnership arrangements with external organisations. The report sets out the actions being taken to mitigate those risks.

### **4 Relevant background/chronology of key events:**

- 4.1 Members considered the company risk register at its meeting on 13 November. The risk register has been updated and includes two additional risks, namely:
- F-07 – The Council, as accountable body, is deemed responsible for the liabilities of a third party, and
  - C-02 – A company does not comply with public contract regulations.
- 4.2 Identified risks have been assessed under two criteria, Likelihood and Impact. Each criterion has then been ranked as to whether they are Low, Medium, Significant or High Risk. Recognising that risk can never be completely eliminated the desired outcome from mitigating actions has been identified to assess the level of risk that the Council is willing to bear.
- 4.3 The risks borne by the Council will vary from company to company dependent on the Council's relationship with an entity, for example, where a company is:
- a wholly owned subsidiary, the risks and impacts will translate fully through to the Council,

- an associate, where the Council has generally between 20% and 50% control, the risks and impacts will be shared between owning entities, and
- is related through Council nomination rights, there may be little financial impact on the Council.

4.4 A full schedule of identified risks and the actions to mitigate those risks to an acceptable level is set out in Appendix 1 to this report.

**Signature:**

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Clive Heaphy, Corporate Director – Finance & Governance

**Appendix**

Appendix 1 – Risk Register