



Meeting: Harbour Committee

Date: 5th December 2017

Wards Affected: All wards in Torbay

Report Title: Review of Tor Bay Harbour Business Risks 2017/18

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1. Purpose

1.1 This report provides Members with the opportunity to consider and review the Tor Bay Harbour Business Risk Register for 2017/18.

2. Summary

2.1 It is accepted that in order for risk management to be truly successful it must be integrated into the culture of an organisation, supported and led by its senior management and communicated effectively at all levels. Consequently it is appropriate that as Tor Bay Harbour's governing body, the Harbour Committee formally reviews its business risks on a regular basis.

2.2 Risk No. 4 – *“To achieve financial strength and effectively manage the Harbour Authority's assets”* - remains the most significant risk due to the increasing level of the cash dividend/asset rental levy. Although the risk score has not been elevated this year, the reserve fund continues to diminish, the repairs budget has been cut and the income from fish tolls, although currently strong, is always uncertain. The probability/impact scores for Risk No. 4 are such that it could easily become a high scoring risk and this is clearly a matter of concern.

2.3 The Committee is asked to note the Tor Bay Harbour Business Risk Register attached as Appendix 1.

Supporting Information

3. Position

- 3.1 Risk management is a fundamental part of any harbour's strategic management; the focus of which is the identification, analysis and treatment of risk in order to add maximum sustainable value to all of the harbour's activities. Risk Management increases the probability of success, and reduces both the probability of failure and the uncertainty of achieving the harbour's overall objectives.
- 3.2 As part of the requirements for corporate governance and internal control an organisation must 'embed' risk management into its culture. This is not simply having an internal audit function reviewing risk management procedures; it means, for the harbour authority, that the Harbour Committee needs to look forward, be dynamic, respond effectively to change and maximise opportunities.
- 3.3 The benefits gained in managing risk are improved strategic, operational and financial management, continuity of knowledge and information management processes, improved compliance and, most importantly, improved customer service delivery. Sound management of business risks will also promote a positive external image of Tor Bay Harbour for all stakeholders.
- 3.4 A harbour authority, in common with any commercial undertaking, requires effective strategic leadership based on a complete understanding of the direction being taken and its associated opportunities and risks.
- 3.5 Making informed and transparent decisions which are subject to effective scrutiny and managing risk is a core principle of good governance.
- 3.6 Risk management is a key contributor to business planning and therefore integral to continuous improvement and sustainability. The Risk Register is used as a management tool to support the Tor Bay Harbour Business Plan.
- 3.7 The harbour authority understands the importance of risk taking and acknowledges that a certain amount of risk taking is inevitable if the harbour is to achieve its objectives. As a harbour authority we should aim to take risks which enable improvement and seek to avoid risks which could affect core business.
- 3.8 Risk registers are living documents and therefore must be regularly reviewed and amended. The reason for monitoring key risks is to create an early warning system for any movement in risk. The Council's risk management strategy requires that registers are monitored every six months. It is anticipated that the Harbour Committee will include a formal review of the Tor Bay Harbour Risk Register within its annual work programme. However, high scoring risks will be monitored more frequently by the Executive Head of Business Services and referred to the Harbour Committee for further review as required. Currently there are no high scoring risks.
- 3.9 The Tor Bay Harbour Business Risk Register 2017/18 is attached at Appendix 1. In 2011, with the help of the Council's Corporate Risk Management team, the Risk Register was consolidated from 39 individual risks to 9 entries linked to the performance objectives of the harbour authority. This current Risk register has recently been reviewed with feedback from staff and members/advisors on the

Harbour Committee. A number of risks have consequently been updated and the risk register can also be found within the Council's performance management software (SPAR.net).

Kevin Mowat

Executive Head of Assets & Business Services - Tor Bay Harbour Master

Appendices

Appendix 1 Tor Bay Harbour Business Risk Register 2017/18

Additional Information

The following documents/files were used to compile this report:

Torbay Council - Risk Management Strategy