

# Business and Property Committee

Item No.

<b>Report title:</b>	<b>Risk Management</b>
<b>Date of meeting:</b>	<b>18<sup>th</sup> January 2018</b>
<b>Responsible Chief Officer:</b>	<b>Simon George, Executive Director of Finance and Commercial Services</b>
<b>Strategic impact</b> One of the Business and Property Committee's roles is to consider the management of risks relating to Norfolk County Council's commercial property. Assurance on the effectiveness of risk management helps the Committee undertake some of its key responsibilities. Risk management contributes to achieving departmental objectives, and is a key part of the performance management framework.	

## Executive summary

This report provides the Committee with the latest departmental level property risks as at January 2018, following the latest review conducted in December 2017. The reporting of risk is aligned with, and compliments, the performance and financial reporting to the Committee.

### Recommendations:

Members are asked to consider:

- a) **the risk reported by exception (in paragraph 2.2 and Appendix A), and the other departmental risks relating to Property (in Appendix D);**
- b) **whether the recommended mitigating actions identified in Appendix A are appropriate, or whether another course of action is required (as per Appendix B);**

## 1. Proposal

- 1.1. The Finance and Commercial Services and Environment, Development, and Transport Departmental Management Teams (DMTs) have been engaged in the preparation of the corporate and departmental level property risks.

The risk presented in **Appendix A** is the risk that is reported by exception, as detailed in paragraph 2.2.

A note of the criteria used to determine which risks sit at which level can be located as per the background information at **Appendix C** of this report.

**Appendix D** shows a summary of all of the current corporate and departmental level risks relating to this Committee. It is proposed that these current risks continue to be reported to Committee via appendices until mitigated to the point where they pose minimal risk to this Committee's objectives.

## 2. Evidence

- 2.1. The Property risk data detailed in this report reflects those key business risks that are managed by the Departmental Management Teams of the Finance and Commercial Services, and Environment, Development, and Transport departments, and Senior Management Team of the Corporate Property Team.

Key business risks materialising could potentially result in the departments failing to achieve one or more of their key objectives and/or suffer a financial loss or reputational damage. The current risks are those identified against departmental objectives for 2017/18.

- 2.2. The Exceptions Report, in **Appendix A**, focuses on any risks that have a current risk score of 12 and above with prospects of meeting the target score by the target date of amber or red. There is currently one risk that meets this criteria, as seen in this appendix.

- 1) RM14200 - Failure to meet NCC carbon reduction target

There are three different elements to this risk (street lighting, corporate car scheme, and energy utilisation), with three different contributing areas of the Council to their management. These are set out in the risk in Appendix A.

- 2.3. There are no significant changes to risks reported at the October 2017 Committee.
- 2.4. To assist Members with considering whether the recommended actions identified in this report are appropriate, or whether another course of action is required, a list of such possible actions, suggested prompts and challenges are presented for information and convenience in **Appendix C**.
- 2.5. The Finance and Commercial Services departmental risk register contains one departmental level risk (RM14200) and one corporate level risk (RM14282) relevant to this Committee, with the EDT risk register containing the other risk (RM14250). **Appendix D** provides the Committee members with a summary of these risks. There are currently two corporate level risks for this Committee to consider.
- 2.6. All three risks reported to this Committee currently have an overall amber prospects score of meeting the target score by the target date. Please see Note 1 below for details of prospects scoring.

### **3. Financial Implications**

- 3.1. At the October 2017 Business and Property Committee, it was noted that the loan to Repton Property Developments was included in a general risk line, and it would be included in future reports to the Committee for information. The loan provided to Repton Property Developments is in line with other loans to wholly owned NCC companies, and strong controls are in place to ensure that the loan is managed appropriately.

### **4. Issues, risks and innovation**

- 4.1. There are no other significant issues, risks and innovations arising from this Risk Management report.

### **5. Background**

- 5.1. Background information regarding risk scoring, and definitions can be found in **Appendix C**.

## Officer Contact

If you have any questions about matters contained in this paper or want to see copies of any assessments, eg equality impact assessment, please get in touch with:

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### Note 1:

The prospects of meeting target scores by the target dates are a reflection of how well the risk owners consider that the mitigation tasks are controlling the risk. It is an early indication that additional resources and tasks or escalation may be required to ensure that the risk can meet the target score by the target date. The position is visually displayed for ease in the “Prospects of meeting the target score by the target date” column as follows:

- Green – the mitigation tasks are on schedule and the risk owner considers that the target score is achievable by the target date.
- Amber – one or more of the mitigation tasks are falling behind and there are some concerns that the target score may not be achievable by the target date unless the shortcomings are addressed.
- Red – significant mitigation tasks are falling behind and there are serious concerns that the target score will not be achieved by the target date and the shortcomings must be addressed and/or new tasks introduced.