

Environment, Development, and Transport Committee

Item No.

Report title:	Risk Management report
Date of meeting:	20th May 2016.
Responsible Chief Officer:	Tom McCabe, Executive Director of Community and Environmental Services
Strategic impact One of the Environment, Development, and Transport (EDT) Committee's roles is to consider the management of EDT risks. Assurance on the effectiveness of risk management and the EDT departmental risk register 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 full EDT risk data available as at the end of April 2016, following the latest review conducted during late April 2016.

Recommendations:

Committee Members are asked to:

Consider:

- a. The progress with Risk Management since the last EDT Committee meeting
- b. The latest risks being reported by exception (**Appendix A**) and the reconciliation of risks from the last Committee report (**Appendix B**), and the progress with mitigating the risks; and
- c. If any further action is required.

1. Proposal

- 1.1. The Community and Environmental Services (CES) Departmental Management Team (DMT) has been consulted in the preparation of the EDT Risk Register.
- 1.2. As part of the overall development of the performance management framework for the Council, the adopted approach to corporate and departmental risk management is being implemented. This approach involves the development of corporate and departmental level risks that are: outcome focussed; linked to strategic priorities; business critical, identifying areas where failure places the organisation in jeopardy; linked to financial and performance metrics. It is dependent upon a shared understanding of the risk appetite of the council.

A key element of this work is cultural change and absolute clarity of roles, responsibilities and process. Specifically, clarity of what these risks are, who is responsible for them, what they are doing to actively manage the risks and what measures are in place to hold people to account.

- 1.3. A corporate risk is one that requires:
 - strong management at a corporate level, thus the County Leadership Team

should direct any action to be taken.

- input or responsibility from more than one Executive Director for mitigating tasks; and if not managed appropriately, it could potentially result in the County Council failing to achieve one or more of its key objectives and/or suffer a significant financial loss or reputational damage.

A departmental risk is one that requires:

- strong management at a departmental level thus the Departmental Management Team should direct any action to be taken.
- appropriate management. If not managed appropriately, it could potentially result in the County Council failing to achieve one or more of its key departmental objectives and/or suffer a significant financial loss or reputational damage.

A service risk is one that requires:

- strong management at a service level, thus the Head of the Service should direct any action to be taken.
- input or responsibility from the Head of Service for mitigating tasks; if not managed appropriately, it could potentially result in the County Council failing to achieve one or more of its key service objectives and/or suffer a significant financial loss or reputational damage.

Financial and Reputational risks are subjective in nature. While reputational risk deals with risks affecting the perceptions of the County Council held by stakeholders and the County Council's standing within an internal and external environment, financial risk can be defined as the potential for:

- financial, overspending or trading loss,
- missed financial opportunities e.g. revenue or capital funding, grants, income
- loss of the use of assets.

2. Evidence

- 2.1. The EDT Committee risk data detailed in this report reflects those key business risks that need to be managed by the Senior Management Teams of the services that report to the Committee including; Highways and Transportation, and Environment and Planning. Key business risks materialising could potentially result in the service failing to achieve one or more of its key objectives and/or suffer a financial loss or reputational damage. The EDT risk register is a dynamic document that is regularly reviewed and updated in accordance with the Council's "Well Managed Risk – Management of Risk Framework".
- 2.2. The current risks are those identified against departmental objectives for 2016/17. The Exceptions Report in **Appendix A** focuses on 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.
- 2.3. There are two risks for this Committee that are of corporate significance.
 - RM001/RM14250 The potential risk that County Infrastructure is not delivered at the required rate to support existing and future needs.
 - RM0017/RM14248 Failure to construct and deliver Norwich Northern

Distributor Route (NDR) within agreed budget (£178.55m)

These risks were reported to the [Audit Committee on 21 April 2016](#), Item 6 starting page 25 and have been updated since.

- 2.4. The EDT departmental risk register contains 11 departmental and corporate level risks, with 2 of these risks with both a current score of 12 or more and the prospect of meeting the target score by the target date at Red or Amber, which fall into the exception reporting category.

Appendix C provides the Committee members with a summary of the risks on the EDT departmental risk register.

Each risk score is expressed as a multiple of the impact and the likelihood of the event occurring.

- Original risk score – the level of risk exposure before any action is taken to reduce the risk
- Current risk score – the level of risk exposure at the time the risk is reviewed by the risk owner, taking into consideration the progress of the mitigation tasks
- Target risk score – the level of risk exposure that we are prepared to tolerate following completion of all the mitigation tasks this can be seen as the risk appetite.

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 are introduced.

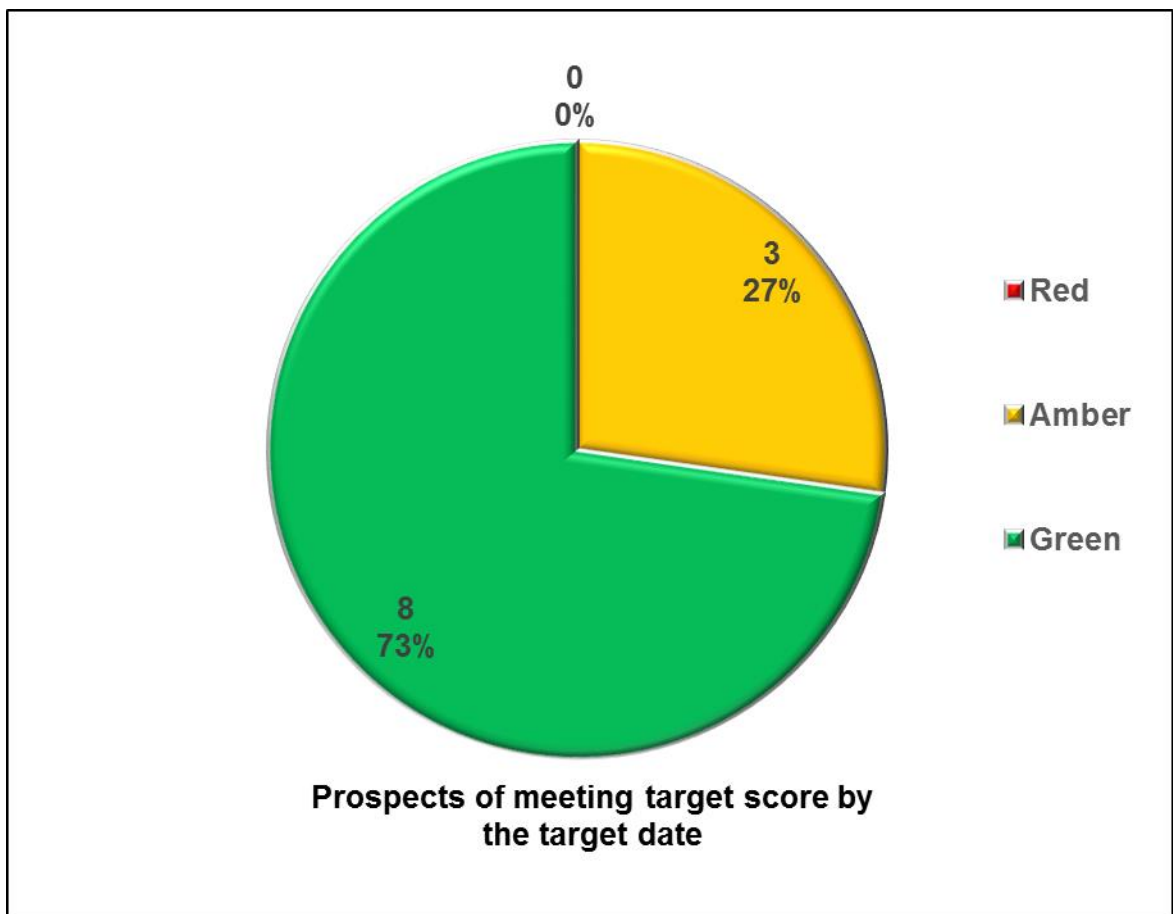


Fig 1. Comparison of the percentage of risks in each of the above categories.

3. Financial Implications

- 3.1. There are no significant financial implications arising from this Risk Management report.

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. There are no background papers to report to this Committee.

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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