

Environment, Development and Transport Committee

Item No.

Report title:	Risk Management
Date of meeting:	20 October 2017
Responsible Chief Officer:	Tom McCabe, Executive Director, Community and Environmental Services
Strategic impact One of the Environment, Development, and Transport (EDT) Committee's roles is to consider the risk management of EDT's 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 information from the latest EDT risk register as at October 2017, following the latest review conducted in September 2017. The reporting of risk is aligned with, and complements, the Performance and Financial reporting to the Committee.

Recommendations:

Members are asked to consider:

- a) the changes to the risks reported by exception (in paragraph 2.2 and Appendix A), and other departmental risks (in Appendix E);
- b) whether the recommended mitigating actions identified in Appendix A are appropriate, or whether Risk Management improvement actions are required (as per Appendix C);
- c) the definitions of risk appetite and tolerance in Appendix D.

1. Proposal

- 1.1 The Community and Environmental Services (CES) Departmental Management Team (DMT) has been engaged in the preparation of the EDT risk register.
- 1.2 The risks presented in **Appendix A** are the risks that are reported by exception, where there is a score of 12 or more (out of 25), and where the prospects of meeting the target score is judged to be at either red or amber. **Appendix E** shows a summary of all of the corporate and departmental level risks for the department. A note of the criteria used to determine which risks sit at which level can be located at section 5 of this report. It is proposed that these current risks continue to be reported to Committee in Appendices A and E until mitigated to the appropriate level.

2. Evidence

- 2.1. The EDT Committee risk data detailed in this report reflects those key business risks that are managed by the Community and Environmental Services Departmental Management Team, and Senior Management Teams of the

services that report to the Committee including amongst others Planning and Economy, and Highways. Key business risks materialising could potentially result in a 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 Risk Management Framework. The current risks are those linked to departmental objectives.

- 2.2. 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. There are currently two risks that meets this criteria, as seen in this appendix.

- 1) RM14248 - Failure to construct and deliver Norwich Northern Distributor Route (NDR) within agreed budget (£179.5m).
- 2) RM14231 - Increase in the amount of left over waste collected by local authorities.

A reconciliation of risks since the last June 2017 Committee report can be located in **Appendix B**.

- 2.3. 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**.

- 2.4. One of the two risks (RM14248) reported by exception in Appendix A appears on the corporate risk register as it is of corporate significance. Definitions of the different categories of risks can be found in **Appendix D**.

- 2.5. The EDT risk register contains eight departmental level risks (inclusive of RM14248 also reported at corporate level). **Appendix E** provides the Committee members with a summary of the corporate and departmental level risks on the EDT risk register.

- 2.6. Of the eight departmental risks, two risks have a green prospects score of meeting the target score by the target date, five have an amber prospects score, and one has a red prospects score. Please see Note 1 for details of Prospects scoring.

- 2.7. The risk that has been identified as having 'prospects of meeting the target score by the target date' as red is RM14248, 'Failure to construct and deliver Norwich Northern Distributor Route (NDR) within agreed budget (£179.5m)' in Appendix A. There are risks around the cost of NDR construction, which were highlighted in the last Risk Management report to EDT Committee in June 2017. The NCC team continue to work with the main contractor Balfour Beatty to review costs. There remains a strong focus on delivering the project as quickly as possible, to reduce overall costs and to minimise risks. With any project of this size and complexity there are a number of risks that could impact on the cost of delivery. The project team will continue actively monitoring and managing the risks associated with the NDR.

3. Financial Implications

- 3.1. There are potential financial implications arising from RM14248, relating to the NDR, as set out in the report.

4. Background

- 4.1. Background information regarding risk scoring and definitions can be found in **Appendix D.**

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.