

# Environment, Development and Transport Committee

Item No.

<b>Report title:</b>	<b>Risk Management</b>
<b>Date of meeting:</b>	<b>19 January 2018</b>
<b>Responsible Chief Officer:</b>	<b>Tom McCabe - Executive Director, Community and Environmental Services</b>
<b>Strategic impact</b> 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 January 2018, following the latest review conducted in December 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 new risk RM14336 - Failure to construct and deliver the Great Yarmouth 3rd River Crossing (3RC) within agreed budget (£121m), and to agreed timescales (construction completed early 2023), which is reported by exception (in paragraph 2.2 and Appendix A), and changes to other departmental risks (in Appendix E);**
- b) **whether the recommended mitigating actions identified for the new risk RM14336 in Appendix A are appropriate;**
- c) **putting forward a recommendation to the January 2018 Audit Committee that risk RM14336 is managed both on the departmental EDT risk register and the corporate risk register, given its corporate significance.**
- d) **the revised risk scores for the NDR risk (RM14248), following sign off of the revised NDR budget at the November 2017 Full Council meeting.**

## 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. There is currently one risk reported by exception. **Appendix E** shows a summary of all of the corporate and departmental level risks for the department. It is proposed that these current risks continue to be reported to Committee in Appendices A and E until mitigated to the appropriate level. A note of the criteria used to determine which risks sit at which level can be located at **Appendix D** of this report.
- 1.3 Following sign off by the Department for Transport of the Outline Business Case, and for £98m proposed funding for the Third River Crossing project, a new risk on the delivery of the project (RM14336) is presented in this report. Whilst the project is still in its very early phases and there are no current issues identified, the potential longer term risk of not delivering to time and budget is presented to this Committee.
- 1.4 This Committee is asked to consider putting forward a recommendation to the Audit Committee for this new risk to be managed on the corporate risk register, enabling the County Leadership Team, the Audit Committee, and Policy and Resources Committee to be fully sighted on this risk. Managing this risk at corporate level is also one of the recommendations of the Third River Crossing gateway review.

## 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 Policy and Procedures. 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 is currently one risk that meets this criteria, as seen in this appendix.
- 2.3. A reconciliation of risks since the last October 2017 Committee report can be located in **Appendix B**.
- 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 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, three risks have a green prospects score of meeting the target score by the target date, and five have an amber prospects score. None of the risks have a red prospects score. Please see Note 1 for details of Prospects scoring.

### **3. Financial Implications**

- 3.1. In November 2017, the budget allocated to the delivery of the NDR was increased to £205m. Whilst the likelihood of not delivering the NDR to this revised budget has significantly reduced, there remain project risks of not delivering the NDR to budget.

### **4. Issues, Risks and Innovation**

- 4.1 There is an element of Risk RM14200 - Failure to meet NCC carbon reduction target, which is covered by the street lighting team, under the remit of EDT. This risk is reported to the Business and Property Committee.

### **5. Background**

- 5.1. 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.