

Report to the Finance Performance Management Cabinet Committee



Report reference: *FPM-011-2019/20*
Date of meeting: *23 January 2020*

**Epping Forest
District Council**

Portfolio: Commercial & Regulatory
Subject: Risk Management – Corporate Risk Register
Responsible Officer: Edward Higgins (01992 564606).
Democratic Services: Rebecca Perrin (01992 564532).

Recommendations/Decisions Required:

- (1) To note the updated Corporate Risk Register and agree the updates as set out in the report;
 - (2) To agree the new wording and score for Risk 1, Local Plan;
 - (3) To agree the removal of Risk 2, Strategic Sites;
 - (4) To agree the updated existing control and key date for Risk 5, Economic Development;
 - (5) To agree the updated effectiveness of control and key date for Risk 7, Business Continuity;
 - (6) To agree the updated effectiveness of control, required further management action and risk owner for Risk 10, Housing Capital Finance;
 - (7) To agree the inclusion of new risk 14, Delay in issuing Planning Permission;
 - (8) To agree the inclusion of new risk 15, Climate Emergency;
 - (9) To agree the inclusion of new risk 16, Accommodation Project;
 - (10) To note the intention of using the updated risk register format for future Corporate and Service Risk Registers;
 - (11) To note that future reporting of the Corporate Risk register will be made to Audit & Governance Committee;
- (3) To agree that the updated Corporate Risk Register be recommended to Cabinet for approval.

Executive Summary:

The Corporate Risk Register was considered by the Risk Management Group on 8 January 2020. The review has resulted in amendments to five risks, removal of one risk and three new risks have been added.

Reasons for Proposed Decision:

It is essential that the Corporate Risk Register is regularly reviewed and kept up to date.

Other Options for Action:

Members may suggest new risks for inclusion or changes such as the scoring to existing risks.

Report:

1. The Corporate Risk Register was reviewed by the Risk Management Group on 8 January 2020, amendments have been incorporated into the register (Appendix 1).
2. Risk 1 Local Plan – During the last review of the Corporate Risk Register by this Committee on 26 September 2019, Members asked for the elements relating to delays in issuing Planning Permission to be shown in a separate risk. This has been done and the resulting new risk is presented as Risk 14. The Risk Management Group scored the remaining Local Plan risk B1 High Likelihood/Major Impact, a reduction from the previous A1 score. This decision was made as the Local Plan had been through the hearing phase and work is ongoing to undertake the Inspector's advice.
3. Risk 2 Strategic Sites – As the majority of sites listed within the Strategic Sites risk have either been completed or are to be transferred to Qualis, it was felt that the risk should be removed.
4. Risk 5 Economic Development – The existing risk control has been updated to advise on completion of consultation with stakeholders. As a result of the consultation a report will be presented to Cabinet in February 2020 seeking approval for the development of an Action Plan and related resource requirements. The key date is now the Cabinet meeting date, 6 February 2020.
5. Risk 7 Business Continuity – The effectiveness of control has been updated to advise that the Business Continuity plans are largely completed. These plans will be reviewed and will help develop a test exercise, which is planned for February 2020. The updated key date is now 19 February 2020.
6. Risk 10 Housing Capital Finance – The effectiveness of control has been updated to advise that a consultant has been engaged to utilise receipts before the deadline of the financial year end. The required further management action now advises of monthly meetings to monitor cash flow. The risk owner has changed to Deborah Fenton (Service Manager Housing Management and Home Ownership).
7. New Risk 14 Delays in issuing Planning Permission – As advised in paragraph 2, a new risk has been developed for the specific delays in issuing Planning Permission caused by objections relating to the impact of development on air quality within the Epping Forest Special Area of Conservation. The risk has been scored A1 Very High Likelihood/Major Impact as the consequences of the risk includes loss of New Homes Bonus and restricted Business Rates tax base growth.
8. New Risk 15 Climate Emergency – Audit and Governance Committee asked for a risk to be developed to capture the risk following the Council's declaration of a climate emergency and an aim to become carbon neutral by 2030. The Risk has been scored B2 High Likelihood/Moderate Impact.

9. New Risk 16 Accommodation Project (Appendix 2) – The Accommodation Project risk details at length the individual elements of the project, with each element being given an individual risk score. The risk is presented in a new format which will be applied to all Corporate and Service Risks.
10. The new format has several advantages over the current.
- Details both gross (before controls are applied) and net risk (after controls have been applied) so the direction of travel for each risk is more transparent, and allows better analysis that risk mitigations are working as intended
 - Colour coded so attention can be focussed on the highest scoring risks
 - Allows for better articulation of risk (using 'if then' format)
11. This will be the final Corporate Risk Register to be reported to Finance & Performance Management Cabinet Committee. Future reports will be made to Audit & Governance Committee, this is to bring the Council's reporting in line with CIPFA guidance for effective Audit Committees. This revision has been agreed by the Chairs of both Committees and will be proposed to the Constitution Working Group who next meet 12 March 2020.
12. Members are now asked to consider the attached updated Corporate Risk Register and whether the risks listed are scored appropriately and whether there are any additional risks that should be included.

Resource Implications:

No additional Resource requirements

Legal and Governance Implications:

The Corporate Risk Register is an important part of the Council's overall governance arrangements and that is why this Committee considers it on a regular basis.

Safer, Cleaner and Greener Implications:

None

Consultation Undertaken:

The Risk Management Group and Leadership Team were involved in the process.

Background Papers:

None

Risk Management:

If the Corporate Risk Register was not regularly reviewed and updated a risk that threatened the achievement of corporate objectives might either not be managed or be managed inappropriately. In addition, new or emerging risks are not considering which could threaten achievement of the Council's corporate objectives.

Equality Analysis:

The Equality Act 2010 requires that the Public Sector Equality Duty is actively applied in decision-making. This means that the equality information provided to accompany this report is essential reading for all members involved in the consideration of this report. The equality information is provided as an appendix to the report.