

PAPER NO. 7

REPORT TO THE EXECUTIVE MEETING OF 4 SEPTEMBER 2017

Meeting: Executive

Date: 4 September 2017

Subject: Corporate Risk and Opportunity Register: Quarter 1, 2017/18

Report of: S. Riley, Head of Finance and Corporate Services and
Section 151 Officer

Portfolio Holder: Councillor Hallam, Corporate Services

Status: For information and comment

Relevant Wards: All

1 Purpose of the Report

1.1 To provide the Executive with information on the Council's Corporate Risks and Opportunities at the end of Quarter 1 of the 2017/18 year.

2 Recommendation:

2.1 **That the items contained within the Council's Corporate Risk and Opportunity Register (attached at Appendix A to this report), be noted.**

2.2 **That the frequency of Risk and Opportunity reports to the Executive be changed from quarterly to half-yearly.**

2.3 **That the Risk and Opportunity Management Framework (attached at Appendix D to this report) be amended to take account of the change of reporting frequency set out at 2.2.**

3 Summary of Reasons for the Recommendations

3.1 Monitoring of the Council's Corporate Risks and Opportunities is prescribed by the Council's Risk and Opportunity Management Framework.

4 Key Facts

4.1 The Executive is provided with the Corporate Risk and Opportunity Register at the end of Quarter 1 of the 2017/18 year (attached at Appendix A to this report).

- 4.2 The Corporate Risk and Opportunity Register (attached at Appendix A to this report) sets out the Council's Corporate Risks and Opportunities. Corporate Risks and Opportunities are defined as issues that may have a significant impact on the delivery of the Council's vision and priorities. They are identified, monitored and managed via the Council's Risk and Opportunity Strategy Board which meets on a quarterly basis.
- 4.3 The Corporate Risk and Opportunity Register is managed by the Officer Risk and Opportunity Strategy Board. The Board amends the Register to reflect progress on actions which have been identified to:
- (i) reduce the likelihood of risks occurring, the impact the risk would have if it were to occur, or both.
 - (ii) monitor opportunities.
 - (iii) add and/ or remove risks and opportunities.
- 4.4 At the end of Quarter 1 of the 2017/18 year there were 13 Risks and 4 Opportunities on the Corporate Risk and Opportunity Register. Full details of the Risks and Opportunities, including scores and mitigating actions, are attached at Appendix A.
- 4.5 The Council's Risk and Opportunity Management Framework uses a matrix which scores both impact and likelihood out of 4.
- 4.6 The Council's Risk and Opportunity Management Framework categorises Risks and Opportunities in the following way:

Score	Risk Category	Opportunity Category
<i>9 or above</i>	<i>Red</i>	<i>Green</i>
<i>5-8</i>	<i>Amber</i>	<i>Amber</i>
<i>1-4</i>	<i>Green</i>	<i>Red</i>

Table 1 Risk and Opportunity Scores and Categories

5 Summary

- 5.1 A summary of the status of the Council's 17 Corporate Risks and Opportunities at the end of Quarter 1 can be seen in Figure 1 below:

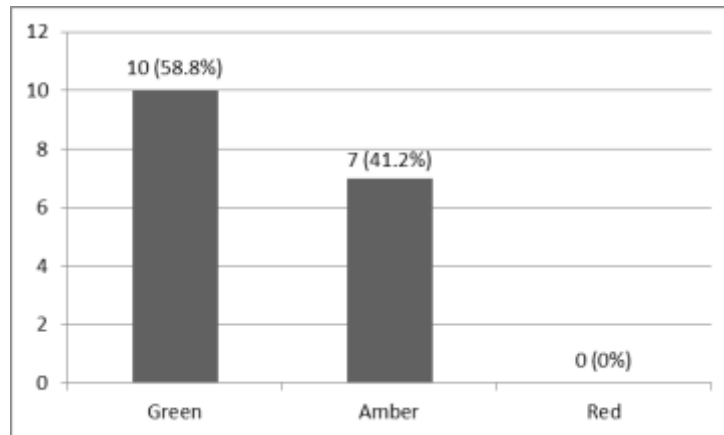


Figure 1 Summary of Risk and Opportunity Statuses

5.2 Red Risks and Opportunities

Of the 17 Risks and Opportunities on the Corporate Risk and Opportunity Register (attached at Appendix A to this report), none of the Risks and Opportunities were assessed as Red status.

5.3 Amber Risks and Opportunities

Of the 17 Risks and Opportunities on the Corporate Risk and Opportunity Register (attached at Appendix A to this report), 7 (41.2%) were assessed as Amber status (residual score of between 5 and 8). Amber status suggests that more could be done to influence a Risk or Opportunity.

The 7 Amber Risks and Opportunities are shown below at paragraphs 5.3.1 to 5.3.7.

5.3.1 CR 08 Risk of challengeable planning decisions being taken relating to planning applications for residential development / Risk of planning appeals being upheld relating to residential planning applications

This Risk has a residual impact of 3 (significant), a residual likelihood of 2 (unlikely) and a residual score of 6.

Mitigation

Ensure an up-to-date, sound local plan is adopted in accordance with established work programmes that meets the Objectively Assessed Housing needs of the District. Ensure the Local Plan is adopted in accordance with the timescales set out in the up-to-date Harborough Local Development Scheme, July 2017. In addition to progressing the Local Plan, and to ensure that this risk is adequately managed ahead of the Local Plan being adopted, the Council is making every effort to achieve a five-year land supply at the earliest possible date through positively granting planning permissions to support the delivery of housing whenever possible and appropriate. Residential planning applications are processed efficiently in order to move towards a five-year land supply as quickly as possible. The Council is progressing a Local Plan

towards adoption, as quickly as possible, in order to ensure the achievement of a five-year supply. N.B. the mitigation set out above will not have its maximum impact until the adoption of the Local Plan.

5.3.2 CR 10 Local Plan: lack of a sound Local Plan may lead to sporadic development and the inability to defend appeals

This Risk has a residual impact of 3 (significant), a residual likelihood of 2 (unlikely) and a residual score of 6.

Mitigation

Ensure an up-to-date, sound local plan is adopted in accordance with established work programmes that meet the Objectively Assessed Housing needs of the District. Ensure the Local Plan is adopted in accordance with the timescales set out in the up-to-date Harborough Local Development Scheme, July 2017. The HEDNA has been finalised and published. The figures have been accepted by the Council and are being managed through the emerging Local Plan for the period up to 2031. In terms of looking further forward, beyond 2031, on-going discussions are taking place across the Leicester and Leicestershire Housing Market Area (HMA) to determine how needs are distributed across the HMA through the emerging Leicester and Leicestershire Strategic Growth Plan.

5.3.3 CR 15 Reduction in public sector funding by all partners leads to service gaps and reduced public sector offer to residents

This Risk has a residual impact of 2 (moderate), a residual likelihood of 3 (likely) and a residual score of 6.

Mitigation

In February 2016 the Council adopted a four-year Medium Term Financial Strategy (MTFS) which provided visibility and provision for savings proposals included in Leicestershire County Council's MTFS (e.g. recycling, early years). The Council actively engages with partners in shaping future public service provision and being aware of any further potential reductions (revenue and capital) in funding from all partners.

5.3.4 CR 20 Business Continuity: loss of building(s) / service(s) through unforeseen events

This Risk has a residual impact of 4 (major), a residual likelihood of 2 (unlikely) and a residual score of 8.

Mitigation

The Business Continuity plans and their dependencies have been updated. A multi-agency disaster recovery test in the Symington Building took place on 25 July 2017 and an action plan is being developed which will cover the

issues raised. Further testing will take place in 2017, followed by on-going refinement of the plans.

5.3.5 CR 27 Local Plan: Risk of reduction in receipts from New Homes Bonus and increased uncertainty of timely housing delivery as a result of housing development not coming forward

This Risk has a residual impact of 3 (significant), a residual likelihood of 2 (unlikely) and a residual score of 6.

Mitigation

Ensure that the Local Plan has a robust delivery, monitoring and review chapter that is linked to the housing trajectory supporting the Plan's Spatial Strategy. The developers have an integral role in ensuring the deliverability of The Plan, both through its preparation and subsequent implementation.

5.3.6 CR 30 Risk of Loss of Planning decision-making powers on major applications to the Planning Inspectorate due to Special Measures designation as a result of triggering the Appeal threshold for Government Intervention

This Risk has a residual impact of 3 (significant), a residual likelihood of 2 (unlikely) and a residual score of 6.

Mitigation

In November 2016 the Government published a revised national policy related to the quality of decision making concerning planning applications. In response to the new policy training for all Members on planning decision-making was undertaken in Quarter 4 of the 2016/17 year (12 out of 37 Members [32.4%] of Members attended the training session).

5.3.7 COR OP 03: Combined Authority

This Opportunity has a residual impact of 2 (moderate), a residual likelihood of 3 (likely) and a residual score of 6.

Progress

The Monitoring Officers have completed work on the Constitution and the operating agreement. A report will be considered by the Executive and then Council when the Order has been published by central government.

5.4 New Risks and Opportunities

No new risks or opportunities were added to the Corporate Risk and Opportunity Register during Quarter 1 of the 2017/18 year.

5.5 Removed Risks and Opportunities

Two Corporate Risks were removed from the Corporate Risk and Opportunity Register during Quarter 1 of the 2017/18 year. The risks that were removed are shown below at paragraphs 5.5.1 and 5.5.2. No Corporate Opportunities were removed from the Corporate Risk and Opportunity Register during Quarter 1 of the 2017/18 year.

5.5.1 CR 04: Impact on Council's resources of welfare reform changes is not yet known

Reason for Removal

Due to the extended timescale for roll-out, this risk has been closed and will be brought back onto the register at the appropriate time.

5.5.2 CR 28 Microsoft Windows Server 2003 un-supported: a lack of support implies that no new security patches will be released for this version of Windows which increases the Council's exposure to security vulnerabilities

Reason for Removal

The Council only has one remaining 2003 server (of an original 24) which is scheduled for replacement during the 2017/18 year.

5.6 Managing Operational Risks & Project Risks

5.6.1 In addition to the Corporate Risks and Opportunities attached at Appendix A, the Council monitors and manages Operational Risks and Opportunities identified through the Corporate Delivery Plan and Team Plans.

5.6.2 Project Risks and Opportunities that are identified through corporate projects are monitored by an Officer-led Programme Board.

5.6.3 Operational Risks and Opportunities are updated on a quarterly basis alongside quarterly performance updates. Project Risks are updated on either a monthly or quarterly basis as part of their associated highlight reports.

5.6.4 Operational Risks are managed via an internal Performance Improvement Board on an exception basis i.e. Red Risks (those with a residual score of 9 or more) and those with a negative direction of travel.

5.6.5 Corporate Risks, Operational Risks and Project Risks are all included in the Risk and Opportunity Register which is held on the Council's Performance Management database.

6 Legal Issues

6.1 None arising directly from this report.

6.2 Effective risk management minimises the risk of legal issues and litigation occurring in the course of Council business.

7 Resource Issues

7.1 None arising directly from this report.

7.2 Effective risk management allows the Council to better manage its resources.

8 Equality Analysis Implications/Outcomes

8.1 None arising directly from this report.

9 Risk Management Implications

9.1 This report sets out the Council's Corporate Risks and Opportunities at Appendix A.

10 Consultation

10.1 At its meeting on 21 September 2017, the Performance Scrutiny Panel will consider the Corporate Risks and Opportunities at the end of Quarter 1 of the 2017/18 year.

11 Options

11.1 The Council's Risk and Opportunity Management Framework provides that the Council's Risks and Opportunities will be reported on a quarterly basis. Therefore the alternative (to not produce this report) was not considered.

12 Background Papers

12.1 Risk and Opportunity Management Framework (approved for use by the Executive on 11 January 2016, Minute 385 2015/16 refers).

Information Issued Under Sensitive Issue Procedure: No

Appendices:

- A. Corporate Risk and Opportunity Register
- B. Risk and Opportunity Scoring Criteria
- C. Risk and Opportunity Score Movement over the last five Quarters
- D. Risk and Opportunity Management Framework