

PAPER NO. 4

REPORT TO THE EXECUTIVE MEETING OF 4 JUNE 2018

Meeting:	Executive
Date:	4 June 2018
Subject:	Corporate Risk and Opportunity Management: Quarter 4, 2017/18
Report of:	S. Riley, Head of Finance and Corporate Services and Section 151 Officer
Portfolio Holder:	Councillor Hadkiss, Corporate Governance
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 4 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.**

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 4 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. The Board last met on 11 April 2018.

- 4.3 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 4 of the 2017/18 year there were 12 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 16 Corporate Risks and Opportunities at the end of Quarter 4 can be seen in Figure 1 below:

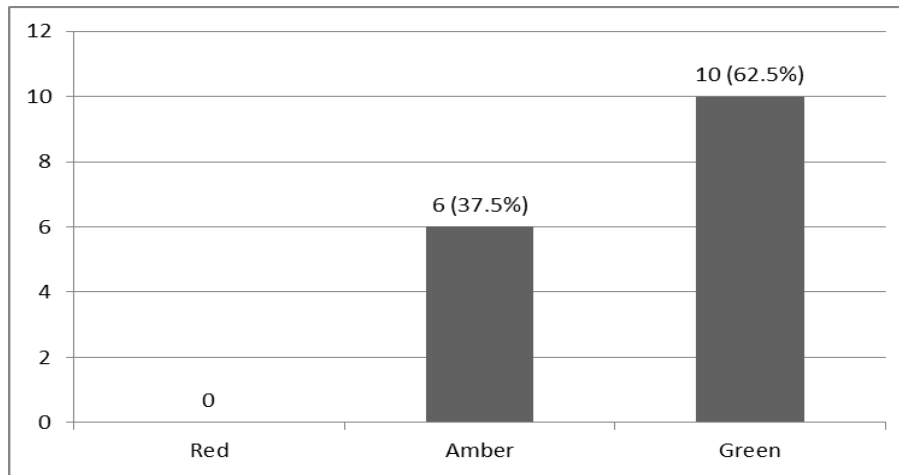


Figure 1 Summary of Risk and Opportunity Statuses

5.2 Red Risks and Opportunities

Of the 16 Risks and Opportunities on the Corporate Risk and Opportunity Register (attached at Appendix A to this report), none was assessed as Red status.

5.3 Amber Risks and Opportunities

Of the 16 Risks and Opportunities on the Corporate Risk and Opportunity Register (attached at Appendix A to this report), 6 (37.5%) were assessed as Amber status (residual score of between 5 and 8). Amber status suggests that the controls and mitigations do not fully manage the risk and further action could be taken to influence a Risk or Opportunity.

The 6 Amber Risks and Opportunities are shown below at paragraphs 5.3.1 to 5.3.6.

5.3.1 CR 08 Risk of challengeable planning decisions being taken relating to planning applications / risk of planning appeals being upheld relating to planning applications and consequent costs

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

Mitigation

CR 08.01 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. 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 submitted its Local Plan for examination in March 2018. N.B. the mitigation set out above will not have its maximum impact until the adoption of the Local Plan. Training was provided for all Members of the Planning Committee during the 2017/18 year on the making of robust Planning decisions.

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

CR 10.01 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. The Council submitted its Local Plan for examination in March 2018. N.B. the mitigation set out above will not have its maximum impact until the adoption of the Local Plan.

5.3.3 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

CR 20.01 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 2018, followed by on-going refinement of the plans.

5.3.4 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

CR 27 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. A proposed submission Draft Local Plan was approved by Council on 18 September 2017 for a period of public representation. The Council submitted its Local Plan for examination in March 2018.

5.3.5 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). The latest available data published by MHCLG indicates that the Council's position has improved however, it is unclear which time period the Government will use to measure performance at the end of the 2017/18 year. Therefore, the risk remains at Amber (6) at the end of Quarter 4.

5.3.6 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.

Action

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 4 of the 2017/18 year.

5.5 Risks and Opportunities Removed or Amended

5.5.1 One Corporate Risk was removed from the Corporate Risk and Opportunity Register at the end of Quarter 4 of the 2017/18 year. The Corporate Risk that was removed was:

CR 05 Non-delivery of Council Efficiency Plan results in reduction in Central Government funding

Reason for removal

The Council submitted its Efficiency Plan on 14 October 2016 which resulted in the securing of four-year funding settlements. Therefore this is no longer considered to be a risk.

- 5.5.2 No Corporate Opportunities were removed from the Corporate Risk and Opportunity Register during Quarter 4 of 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.

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 7 June 2018, the Performance Scrutiny Panel will consider the Corporate Risks and Opportunities at the end of Quarter 4 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 regular 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 15 January 2018).

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