

Appendix 2 - Corporate Risk Register

Inherent Risk								Residual Risk				Actions			
Risk No.	Risk Description	Cause	Effect	Owner	Likelihood	Impact	Score & RAG	Key Controls	Likelihood	Impact	Score & RAG	Actions	Owner	Target Date	Action RAG
CUSTOMER PERSPECTIVE															
A2	East Cambridgeshire Trading Company and East Cambridgeshire Street Scene Ltd fail to deliver upon business plans and expected levels of performance.	Poor performance by the companies with a lack of challenge and oversight. Failure to embed effective governance arrangements and segregation of duty.	Failing to achieve corporate priorities and Medium Term Financial Strategy. Reputational risk.	D-CS	3	5	15 (A)	Business Plans, Articles of Association and Shareholder Agreements. Established Shareholder Committee arrangements. ECTC- Regular reporting to Finance and Assets Committee (in remit as Shareholder committee) and full Council (if required). ECSS- Regular reporting to Operational Services Committee (in remit as Shareholder committee) and full Council (if required) Independent Chairperson. Independent external audit review of accounts, and opportunity to commission ad-hoc advice if required. S151 officer and Monitoring Officer present as non-voting members at Board meeting.	2	4	8 (A)				
A3	Failure to deliver the housing strategy, and provide affordable housing to residents within the district.	Challenges to future supply due to housing market and Government policy.	Failure to deliver the Council's commitment to 'genuine affordable' housing.	D-O D-CS	3	4	12 (A)	Council Support Programme to Community Land Trusts. Community Led Development SPD.	2	3	6 (A)				
A4	Homelessness in the district.	Increase in homelessness driven by external factors such as Universal Credit and the Homelessness Reduction Act.	Impact on the Council finance and resources.	D-O	4	5	20 (R)	Frontline resources focussed on preventing homelessness. Council retained hostels.	2	2	4 (G)				

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A5	Council unable to manage impact of Coronavirus (Covid-19) on Council services.	Lack of capacity to cope with the increase in community needs as well as business as usual tasks as a result of the virus. This will be caused by increased needs from the community as well as reduced staffing availability due to staff becoming ill themselves or needing to self isolate or being unable to work due to caring for others. Technology constraints may also limit the amount of work able to be undertaken remotely. Availability of workforce from contractors as well as Council will have a negative impact on continuing the compliance related work.	Work will need to be prioritised resulting in some services either being scaled back or not delivered at all.	CM T	3	3	9 (A)	<p>Regular meetings of multi-agency groups and internal business continuity groups.</p> <p>Reviewing approach and making preparations for increased homeworking.</p> <p>Regular communication with all stakeholders, including contractors.</p> <p>Risk assessment produced to comply with the Government guidance document <i>Offices and Contact Centres – Working Safely During Coronavirus (COVID-19)</i> and the associated Council building risk assessments.</p> <p>Corporate buildings are now 'COVID-19 Secure' in line with Government guidance control measures.</p> <p>Reviewed business continuity plans to ensure priority services are correctly assessed and continue to prioritise based on emerging needs and capacity.</p>	2	3	6 (A)	<p>Continue to ensure staff, members and the community are kept informed as the situation develops.</p> <p>Ongoing monitoring of 'Working Safely in East Cambridgeshire District Council Buildings' risk assessments.</p>	CM T DV	Ongoing Ongoing	G G

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A6	Impact of Coronavirus (Covid-19) on the business and communities of East Cambridgeshire.	In the three months since the lockdown the economy has shrunk by 20%. Whilst the Furlough scheme has helped protect jobs in the short term there is an expectation that unemployment and dependency on welfare and support will increase over the coming months. This in turn may create greater financial, physical and mental health challenges and put pressure on housing. Whilst the Council has provided support to businesses in East Cambridgeshire through government grant schemes, there is a risk that some businesses do not survive. Further risk of local lockdowns increases uncertainty and dent consumer confidence.	Higher unemployment, greater dependency on welfare, impacts on physical and mental health, impacts on business survival rates, increased homelessness	CM T	4	4	16 (R)	<p>The Council continues to work closely with partner agencies in the Local Resilience Forum (LRF) to ensure response are co-ordinated and as effective as possible.</p> <p>The Council has established recovery structures to fully assess impacts and identify appropriate responses. These have been discussed with Members and with partners.</p> <p>Resources are being diverted to those areas where the Council anticipates greater demand but to an extent the Council, and the sector more generally, will require ongoing government support to mitigate the substantial impacts there will be.</p> <p>Fraud risk assessments completed in relation to business grants.</p>	3	3	9 (A)	<p>Continued involvement, leadership and engagement within the LRF and support to local partners and businesses as required.</p> <p>Recovery plan booklet to be distributed to all councillors, including details of working party, communication with community groups and a dedicated risk register.</p> <p>Review of Corporate Strategy to incorporate key recovery actions.</p>	CM T D-O CM T	Ongoing October 2020 Ongoing	G G G
FINANCE AND RESOURCES															
B1	Inability to balance the Council's budget.	<p>Reductions in public sector funding.</p> <p>Uncertainty and changes in Government funding such as, the Spending Round 2019 (to be implemented April 2020) and the Spending Review 2020, fair funding review and 75% retention of business rates, all planned to be introduced on 1st April 2021.</p> <p>Lack of opportunity to make further savings.</p> <p>Not maximising the opportunities from the Combined Authority deal and other income opportunities.</p>	Failure to achieve budgets savings leading up to 2020/21 and undermining the revised Medium Term Financial Strategy.	FM	3	5	15 (A)	<p>Agree Medium Term Financial Strategy (MTFS) each February as part of budget setting process.</p> <p>The draft MTFS was reported to Full Council in February 2019. Budget Monitoring through Management Team and relevant Committees.</p> <p>Partnership working (principally with the Combined Authority) and ongoing consideration of potential opportunities linked to the key ambitions.</p> <p>Strong leadership from members and officers.</p>	3	4	12 (A)				

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B2	Failure to achieve expected levels of development and planning income.	The viability and delivery of residential and commercial development. Delay in payments due to COVID-19. Changes in legislation such as the Planning for the Future White Paper.	Council failing to deliver its growth trajectory and not generating projected s106 and CIL income.	D-CS	4	4	16 (R)	Ongoing Service Plan reviews CIL Implementation CLT support programme Business Plan (Property)	3	4	12 (A)	Monitor and respond to the outcomes of the Planning for the Future White Paper	IS M	Ongoing	G
B3	Failure to plan for and accommodate the impact of Brexit.	The UK leaving the EU with impacts on regulations and the economy.	The Council suffers from consequences of leaving the EU with impacts on procurement and employment through changes in EU/UK regulation, income and public services.	CEX	2	3	6 (A)	Engagement in local forums and networks, including the local resilience partnership. Participation in workshops with other public sector partners and forward planning.	2	3	6 (A)				
PROCESSES AND SYSTEMS															
C1	Failure to maintain service delivery and support the community in the event of an unforeseen emergency or loss of resources.	Major civil emergency potentially due to: <ul style="list-style-type: none"> • Loss of access to premises • Severe weather events • Fuel shortages • Communications failure • Pandemics • Loss of power • Terrorist events • Supply chain failure 	Inability to access key staff or resources resulting in reduced ability to deliver services. Increased requests for Council resources and services Health and safety impact on staff and vulnerable residents Damage to Council property and impact on residents Reputation damage	CEX	3	5	15 (A)	Business Continuity Plan (BCP) updated. Business Continuity Training and exercises. Member's handbook. Emergency Management Plan with supporting plans for specific activities e.g. rest centres. Rest Centre plans reviewed by National Resilience Forum. Registration process and template forms aligned to other Councils so they can mutually assist each other as responders. Note – specific risk on Covid-19 pandemic added to risk register.	3	2	6 (A)				

C2	Loss of data or access to ICT systems due to a breach of information security or weaknesses in the IT infrastructure.	<p>ICT systems abuse, intrusion or failure.</p> <p>Under investment in IT infrastructure and lack resource to implement change.</p> <p>Employees not having the right tools for the job to work efficiently.</p>	<p>Business interruption resulting in reduced ability to deliver services.</p> <p>Not prepared for disaster recovery.</p> <p>Non-compliance with legislation, resulting in financial penalties up to £0.5m and reputational risk.</p> <p>Inefficient working.</p>	D-O	3	4	12 (A)	<p>ICT Disaster Recovery Plan.</p> <p>System and Penetration testing regime.</p> <p>ICT Security Policy.</p> <p>Government Connect and Public Sector Network compliance.</p>	3	4	12 (A)	<p>The hardware build for equipment at The Grange, Ely commenced in March 2020. Unfortunately, due to issues of late delivery by the Supplier and then subsequent issues with the goods supplied not being fit-for-purpose (supplier error), further delay occurred whilst waiting for replacement parts.</p> <p>The hardware has now been installed at The Grange, Ely and the hardware that is needed for eSpace North has been configured and is ready for installation. The installation was delayed due to COVID-19 as priority was given to remote working access and ensuring that staff were able to work from home.</p> <p>The installation and setup of the Disaster Recovery system is scheduled to take place during September 2020. The Disaster Recovery Plan will be updated and reviewed following this work and completion of the plan is anticipated in October 2020. The updated plan will reflect the improvements the Council has made</p>	D-O	October 2020	A
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												to the physical infrastructure and will include the enhanced remote access system for working away from the office.			
C3	Non-compliance with legislative and regulatory requirements.	Changes in legislation from Central Government, Europe, or Professional bodies can impact many areas, for example: <ul style="list-style-type: none"> • health and safety, • equalities, • safeguarding, • environmental legislation, • employment law. 	Financial penalties for non-compliance. Reputational risk.	MT	4	3	12 (A)	Monitoring changes to legislation that impacts the Council. Topical examples include H&S sentencing guidelines, and earlier closedown of accounts. Procedural changes and training is delivered as required. Safeguarding policy in place and refreshed in 2017/18. Safeguarding leads nominated and all staff have received safeguarding training. Health and safety risk assessment programme.	2	3	6 (A)				
C4	Failure to achieve compliance with the General Data Protection Regulations (GDPR) and Data Protection Act.	New legislation from Central Government and Europe.	ICO warnings, bans on processing data, fines. Compensation claims and reputational damage.	LSM	3	5	15 (A)	Information Officer post created and filled. All Council staff briefed. Key (public facing) stages completed for GDPR introduction in May 2018, continued compliance in place via action plan. Staff e-learning and Member briefing.	2	4	8 (A)	Continue working towards full compliance via action plan.	LS M	May 2020	G
C5	Payroll and HR system not meeting the needs of the whole organisation.	Midland HR do not meet our service requirements.	Salaries are not paid correctly to employees Pensions and subsequent pension reports are not completed properly for HMRC and LGSS	FM	3	5	15 (A)	Regular communication with Midland HR Effective communication between HR and payroll Service Level Agreement to be adhered to	2	5	10 (A)				

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C6	Failure of corporate governance and counter fraud and corruption controls.	Attempts at fraud and corruption from internal or external sources are successful due to inadequate corporate governance and counter fraud controls.	Financial losses and reputational damage. Impact on service delivery.	MT	3	3	9 (A)	Counter fraud training for officers as part of induction process. Gifts and hospitality registers. Counter fraud and ethical governance policies and procedures. Anti-money laundering policy added to Constitution. Internal control framework including segregation of duties and authorisations. Reviewed annually for Annual Governance Statement. Participation in National Fraud Initiative. Fraud awareness promotion in February 2019 and November 2019. Fraud reporting tool introduced in November 2019.	2	3	6 (A)				
LEARNING AND GROWTH															
D2	Failure to deliver upon strategic development plans and requirements.	The Council not being able to demonstrate a five-year land supply for housing or an up-to-date Local Plan. However, on 21 st April 2020 the Council did regain its five year land supply, though developers are challenging this. Lack of up to date Local Plan. Lack of delivery of permitted schemes by developers.	Planning applications can only be refused if the adverse impacts significantly and demonstrably outweigh the benefits of the proposal, in accordance with the presumption in favour of the sustainable development. More speculative development Not delivering quantity of housing/employment to meet needs of the district	D-CS	3	4	12 (A)	Development Management to manage speculative applications when submitted. Work with developers to help delivery of sites. Robustly defend appeals in order to maximise chances of success (note: ultimately, it will be a planning inspector, in reaching a decision on an appeal, that will determine whether the inherent risk materialises).	3	4	12 (A)	Members to determine whether to commence work on a new Local Plan	D-CS	October 2020	

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D8	Difficulties with staff recruitment, absence and retention – leading to lack of resources.	Lack of staff resources in terms of numbers due to high turnover or failed recruitment exercises. Lack of staff resources in terms of knowledge, skills and behaviours due to poor staff retention.	A shortage of staff in roles across the Council and Trading Companies and a loss of knowledge and skills, could lead to service failure, which could result in an increased level of complaints, poor reputation and financial penalties from breaches in legislation or failure to follow rules, procedures and meet deadlines.	MT	4	3	12 (A)	Pay Review exercise linked to revised Job description questionnaires (JDQ) implemented in December 2019, this should ensure that all staff are being paid an appropriate salary for the job they are undertaking. Investment in training and up-skilling existing staff. Absence Management policy. Effective implementation of Service Delivery Plans and performance management Management Development training has been delivered to all Service Leads and team leaders.	4	2	8 (A)				

Corporate Priorities:

- 1 Sound financial management
- 2 Improving transport
- 3 Housing
- 4 Cleaner, greener East Cambridgeshire
- 5 Social and community infrastructure

Key to risk owners (above):

CEX	Chief Executive
D-O	Director, Operations
D-CS	Director, Commercial Services
FM	Finance Manager and S151 Officer
LSM	Legal Services Manager and Monitoring Officer
ISM	Infrastructure and Strategy Manager
HSM	Health & Safety Manager
HRM	Human Resources Manager
MT	Management Team

Appendix 3 - Corporate Risk Register Heat Map

Summary of Residual Scores for Corporate Risks

Impact	Very High	5		C5			
	High	4		A2, C4	B1, B2, D2, C2		
	Medium	3		A3, A5, B3, C3, C6	A6		
	Low	2		A4	C1	D8	
	Negligible	1					
			1	2	3	4	5
			Very rare	Unlikely	Possible	Likely	Very Likely
			Likelihood				

Red scores – in excess of the Council's risk appetite. Action is needed to redress, with regular monitoring. In exceptional circumstances residual risk in excess of the risk appetite can be approved if it is agreed that it is impractical or impossible to reduce the risk level below 16. Such risks should be escalated through the management reporting line to Corporate Management Team, Resources and Finance Committee and Council.

Amber scores – likely to cause the Council some difficulties (risk score 5 to 15) – six monthly monitoring.

Green scores (risk score 1 to 4) – low risk, monitor as necessary.

Code	Title
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A3	Failure to deliver the housing strategy, and provide affordable housing to residents within the district.
A4	Homelessness in the district.
A5	Council unable to manage impact of Coronavirus (Covid-19) on Council services.
A6	Impact of Coronavirus (Covid-19) on the business and communities of East Cambridgeshire.
B1	Inability to balance budget.
B2	Failure to achieve expected levels of development and planning income.
B3	Failure to plan for and accommodate the impact of Brexit.
C1	Failure to maintain service delivery and support the community in the event of an unforeseen emergency or loss of resources.
C2	Loss of data or access to ICT systems due to a breach of information security or weaknesses in the IT infrastructure.
C3	Non-compliance with legislative and regulatory requirements.
C4	Failure to achieve compliance with the General Data Protection Regulations & Data Protection Act.
C5	Payroll and HR system not meeting the needs of the whole organisation.
C6	Failure of corporate governance and counter fraud and corruption controls

D2	Failure to deliver upon strategic development plans and requirements.
D8	Difficulties with staff recruitment, absence and retention – leading to lack of resources.