

## Appendix 2 Corporate Risk Register

Inherent Risk								Residual Risk				Actions			
Risk No.	Risk Description and Theme	Cause	Effect	Owner	Likelihood	Impact	Score & RAG	Key Controls	Likelihood	Impact	Score & RAG	Actions	Owner	Target Date	Action RAG
	<b>CUSTOMER PERSPECTIVE</b>														
A2	Development of the East Cambridgeshire Trading Company.	The East Cambs Trading Company does not deliver its business plan.  Concerns over governance arrangements and segregation of duty.	Failing to achieve corporate priorities and Medium Term Financial Strategy.  Reputational risk.	D-CS	3	5	15 (A)	ECTC Business Plans, Articles of Association and Shareholder Agreement.  Established Shareholder Committee arrangements.  Regular reporting to Shareholder Committee and full Council.  Independent Chairperson.  Independent external audit review of accounts, and opportunity to commission ad-hoc advice if required.	2	4	8 (A)				
A3	Housing strategy, and the need for affordable housing.	Increase in homelessness driven by external factors such as Universal Credit and the Housing and Planning Act.	Failure to deliver the Council's commitment to 'genuine affordable' housing.  Impact on the Council finance and resources.	D-O	4	5	20 (R)	Council Support Programme to Community Land Trusts.  Community Led Development SPD.  Frontline resources focussed on preventing homelessness.  Council retained hostels.	3	3	9 (A)				
	<b>FINANCE AND RESOURCES</b>														
B1	Public sector funding	Uncertainty and changes in funding such as the withdrawal of Revenue Support Grant and 100% retention of business rates.  Lack of opportunity to make further savings.	Failure to achieve budgets savings leading up to 2019/20 and undermining the revised Medium Term Financial Strategy.	FM	3	5	15 (A)	Agreed balanced budget for 2017/18 and 2018/19 incorporating the withdrawal of the Revenue Support Grant.  Agreed Medium Term Financial Strategy (MTFS) to become self-sufficient. <a href="#">The draft MTFS will be reported to the Resources and Finance Committee on 29<sup>th</sup> January 2018, showing a balanced budget for 2018-19 and 2019-20.</a> Budget Monitoring through Management Team and relevant Committees.	3	4	12 (A)	Work progressing to meet the budget deficit projected for 2019/20. This will be reported to the Resources and Finance Committee.	FM	January 2018	G

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B2	Development and planning income.	The viability and delivery of residential and commercial development.  Changes in legislation such as the review of Community Infrastructure Levy (CIL).	Council failing to deliver its growth trajectory and not generating projected CIL income.	D-CS	3	4	12 (A)	New Local Plan Ongoing Service Plan reviews CIL Implementation CLT support programme Business Plan (Property)	3	4	12 (A)	Monitor and respond to the outcomes of the Government review on CIL.	ISM	Ongoing	G
PROCESSES AND SYSTEMS															
C1	Emergency planning and business continuity.  The Council delivers a range of complex services which may be effected by an emergency.	Major civil emergency potentially due to: <ul style="list-style-type: none"> <li>• Loss of access to premises</li> <li>• Severe weather events</li> <li>• Fuel shortages</li> <li>• Communications failure</li> <li>• Pandemics</li> <li>• Loss of power</li> <li>• Terrorist events</li> <li>• Supply chain failure</li> </ul>	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). 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.	3	2	6 (A)	Planned revision to Business Continuity Plan to ensure it is effective.  Planned review of supporting Business Continuity Impact Assessments.	HS M	Jan 2018	G
C2	Managing information security, resilience, plus having an IT Strategy for continuous improvement.	ICT systems abuse, intrusion or failure.  Under investment in IT infrastructure and lack resource to implement change.  Employees not having the right tools for the job to work efficiently.	Business interruption resulting in reduced ability to deliver services.  Not prepared for disaster recovery.  Non-compliance with legislation, resulting in financial penalties up to £0.5m and reputational risk.  Inefficient working.	D-O	3	4	12 (A)	ICT Service Improvement Plan. ICT Disaster Recovery Plan. System and Penetration testing regime. ICT Security Policy. Government Connect and Public Sector Network compliance.	2	3	6 (A)				

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C3	Non-compliance with legislative and regulatory requirements.	Changes in legislation from Central Government, Europe, or Professional bodies can impact many areas, e.g: <ul style="list-style-type: none"> <li>health and safety,</li> <li>equalities,</li> <li>data protection,</li> <li>environmental legislation,</li> <li>employment law.</li> </ul>	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.	2	3	6 (A)				
C4	Managing implementation of the General Data Protection Regulations (GDPR)	Changes in legislation from Central Government, Europe, or Professional bodies.	Financial penalties for non-compliance. Reputational risk. Requirement for Council wide learning and development.	LSM	3	5	15 (A)	Programme to manage implementation of GDPR  External support to prepare Council for change	2	5	10 (A)	Information governance arrangements updated to reflect the new requirements of GDPR.	LS M	May 2018	
C5	Payroll and HR system implementation	Project and system not delivered on time.	Payroll services not available, requiring temporary alternative solution. Reputational risk.	PM O	3	5	15 (A)	Project group and governance Project plan and testing schedule Early engagement with Human Resources Test system and Live system Planned parallel running for two months Working with Midland Itrent, as a market leaders in Payroll project management.	1	5	5 (A)	Project delivery, including testing and parallel running for planned go live.	PM O	Apr 2018	
	<b>LEARNING AND GROWTH</b>														
D1	Workforce development	The restructuring of management and departments of the Council to deliver medium term savings and achieve the 'New Council' and 'New Organisation' are not implemented effectively.	Adverse impact on the Council's ability to deliver corporate and service objectives.  Staff turnover and recruitment costs.	CEX	2	4	8 (A)	Effective implementation of Service Delivery Plans and performance management  Management Development training has been delivered to Service Leads. The Council is also investing further in training to Services Officers and investing in career and professional training to develop talent in house.	2	3	6 (A)				

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D2	Strategic development	Failure to deliver an ongoing five year land supply. Challenge of plan from Planning Inspectorate.	Unsustainable developments result in external challenge.	D-CS	3	4	12 (A)	The Council has developed a new Local Plan which was delivered to the Council in October. This is now being consulted with the public and will be reviewed by the Local Planning Inspectorate.  Partnership Agreement with Peterborough City Council.	3	4	12 (A)	Ongoing consultation and programmed review by the Planning Inspectorate.  This is expected to be completed during the first half of 2018.	ISM	Jun 2018	
D3	Leisure Centre development.	Delays to Leisure Centre project.	Reputational damage and increase in capital costs.	CEX	2	3	6 (A)	Robust business case and project management process.  Effective communications strategy.  MACE appointed for project.  Project plan and costings approved by Council in June 2016. There are no significant delays and costs will remain in budget. Project finance is based on a fixed cost contract to manage resources.	2	3	6 (A)				
D5	Devolution and development of the Combined Authority.	Not maximising the opportunities from the Combined Authority deal.	Restricts future resources and strategic/operational control	CEX	3	2	6 (A)	Robust business case and support for Combined Authority.  Partnership working and ongoing consideration of potential opportunities linked to the key ambitions set by the Combined Authority.  Strong leadership from members and officers.	2	2	4 (G)				

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D7	Waste collection and street cleansing services are being transferred to a new trading company to achieve savings and service improvement. This is a complex and significant project for the Council.	<p>Project delays.</p> <p>Not having the correct assets in place (property, plant, equipment and fleet).</p> <p>Not having the correct support framework in place (e.g. Human resources, finance, health &amp; safety, waste operators license).</p> <p>Complex process for setting up the new trading company.</p> <p>Potential non-compliance with TUPE regulations, and risk that staff may not be available on time.</p>	Service disruption to customers resulting in reputational risk, plus reduction in recycling rates.	D-O	3	4	12 (A)	<p>Robust business case</p> <p>Robust project management process.</p> <p>Effective communications strategy.</p> <p>Regular reporting to Shareholder Committee and full Council.</p> <p>Shareholder Committee support for establishing a new East Cambridgeshire Local Authority Trading Company (LATC).</p>	2	3	6 (A)				

**Corporate Priorities:**

- 1 Delivering a Financially Sound and Well Managed Council
- 2 Genuinely Affordable Housing
- 3 A Fantastic Place to Live
- 4 Improving Local Transport
- 5 Improving Infrastructure
- 6 New Jobs and Funding

**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
- PMO Performance Management Officer
- MT Management Team

## Appendix 3 - Corporate Risk Register Heat Map

### Summary of Residual Scores for Corporate Risks

Impact	Very High	5	C5	C4			
	High	4		A2	B1, B2, D2		
	Medium	3		C2, D1, D3, D7, C3	A3		
	Low	2		D5	C1		
	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
A2	Trading company
A3	Housing
B1	Public sector funding

B2	Development
C1	Emergency Planning
C2	Information security
C3	Non-compliance with legislative and regulatory requirements.
C4	General Data Protection Regulations
C5	Payroll system implementation
D1	Workforce development
D2	Strategic development
D3	Leisure Centre
D5	Devolution and development of the Combined Authority.
D7	Waste collection and street cleansing