

Meeting:	Audit and governance committee
Meeting date:	4 July 2017
Title of report:	Corporate risk register
Report by:	Directorate services team leader

Classification

Open

Key decision

This is not an executive decision.

Wards affected

Countywide

Purpose

To consider the status of the council's 2016/17 corporate risk register in order to monitor the effectiveness of the performance, risk and opportunity management framework.

Recommendation(s)

THAT:

- (a) **the committee determine whether, in light of the information contained within the corporate risk register, it wishes to make any recommendations to improve effective risk management.**

Alternative options

- 1 The committee could choose not to monitor the risk register; this would not be recommended as this would not provide assurance that risk was being managed effectively within the council.

Reasons for recommendations

- 2 To enable the committee to be assured that the council is managing its risk appropriately, in line with its performance, risk and opportunity management framework.

Key considerations

- 3 The corporate risk register is compiled from risks identified at directorate level, which

Further information on the subject of this report is available from
Steve Hodges, directorate services team leader on Tel (01432) 261923

have been escalated along with high-level generic risks, which require strategic management. Entries within the corporate risk register reflect those risks identified by management board and endorsed by cabinet, thereby strengthening their strategic perspective, management response and controls.

- 4 The inclusion of risks within any level of risk register does not necessarily mean there is a problem; it reflects the fact that officers are aware of potential risks and have devised strategies for the implementation of mitigating controls.
- 5 Each entry within the register is scored to provide an assessment of the residual level of risk. All risks have been scored based on an assessment of their impact and likelihood, adopting the scoring criteria within the Performance, Risk and Opportunity Management Framework. These assessments are made at two points, before any actions are in place (inherent risk) and after identified controls are in place (residual risk).
- 6 Whatever level of residual risk remains, it is essential that the controls identified are appropriate, working effectively and kept under review.
- 7 Three risks have been removed from the corporate risk register, as identified at the end of Appendix A. these risks have been reduced The risks have been deemed by the economy, communities and corporate directorate management team as either being risks that can now be managed within the directorate; or are no longer seen as a risk to the authority and have therefore been removed completely.
- 8 At its meeting of 10 May the committee asked that assurance be given that when considering risk, local issues are taken into account as part of the risk assessment and that it reflects the Herefordshire situation. This was particularly relevant to the three risks that the that the committee had asked to be considered in order to test that the risk assessment framework was being applied appropriately:
 - Water quality issues –members were invited to a Nutrient Management Plan seminar on 7 March where phosphate levels in the rivers Lugg and Wye were discussed. The council operates within guidance of the National Planning Policy Framework (NPPF) and the policies contained within its own Local Plan. The council continues to be a key member of the River Wye Nutrient Management Plan (NMP) Board which provides a local response. The organisations represented on the NMP Board are working collaboratively to identify and deliver actions that achieve the phosphorous conservation target of the River Wye SAC, primarily through the delivery of the Nutrient Management Plan. The Board is developing a monitoring dashboard which will help review performance and delivery of actions within the plan in order to take timely corrective action where identified. The Board remain confident of the success of the NMP given the range of options and actions which are being developed to ensure compliance. Given the NMP process, it is not considered necessary to enter this as a corporate risk at present. However, given the core strategy growth policies it will be necessary to closely monitor progress and review the current assessment in order to determine whether there is a risk that phosphate levels pose a risk to longer term growth delivery.
 - Fracking –. should a planning application be submitted prior to the adoption of the Herefordshire Minerals and Waste Local Plan the adopted Core Strategy policies would most likely apply to the consideration of the application. Key considerations in respect of a planning application for this type of development are likely to include:

- Impact of any increased traffic movements on county's roads, in particular HGVs movements which may not be appropriate in parts of the county;
- Impacts upon the county's landscape, heritage assets and biodiversity, particularly on sensitive areas and sites such as the AONBs, scheduled ancient monuments and listed buildings and internationally important sites such as SACs and nationally designated sites such as SSSIs; and
- Any likely economic impact from the development (positive or negative)

Existing policies in the Core Strategy which would be used to in determining the application would therefore include:

- Policy SS1 – the overarching policy reflecting the NPPF presumption in favour of sustainable development.
- Policy SS6 – strategic policy setting out to conserve and enhance environmental assets.
- Policy SS7 – strategic policy which sets out how development proposals should address the issue of climate change.
- Policy MT1 – dealing with issues related to traffic management and highway safety.
- Policy E4 – Tourism – which in particular in criterion 2 gives particular regard to conserving the landscape and scenic beauty of the AONBs.
- Policy LD1 – The main policy setting out development requirements to conserve and enhance the county's landscape again making special reference to the AONB.
- Policy LD2 - The main policy setting out development requirements to conserve, restore and enhance the county's biodiversity and geodiversity. Special regard is given to internationally important sites such as SACs and nationally important sites such as SSSIs.
- Policy LD4 – provides protection for the historic environment and heritage assets.

In addition the UDP Minerals policies continue to be saved; these include:

- Policy M10 which deals with oil and gas exploration and development. This policy itself refers to any proposal meeting the geological, technical and environmental considerations of policy M3 which indicates planning applications would only be permitted where they would not adversely affect constraints such as the AONB, international or national sites of importance for nature conservation or scheduled ancient monuments.

Although the UDP policies have been in place for some time (prior to the issue of "fracking" had arising in the county) they still represent the adopted development plan policies and can be used to reflect any concerns by planning committee should proposals be advanced.

In addition, a Minerals and Waste Local Plan is being prepared which will provide an up to date policy framework within the county, including a robust position on "fracking". The forthcoming Issues and Options consultation paper will identify options for policy approaches to fracking.

- Flood alleviation – local flood risk management and land drainage forms part of the Herefordshire Council and Balfour Beatty Living Places (BBLP) annual plan.

BBLP's work programme for 2017/18 includes undertaking studies to enable funding grants to be accessed for flood alleviation. Our risk-based approach targets resources and funding at those parts of the county that are most susceptible to flooding. The Local Flood Risk Management Strategy ('the Strategy') will be an important document for the on-going management of flood risk throughout the county. A draft of the strategy will be presented to general scrutiny committee on 11 July 2017 before being considered for adoption by Cabinet on 14 September 2017. The strategy will be accompanied by an action plan that identifies a programme of work for reducing local flood risk within Herefordshire. The council does acknowledge the risk of flooding and this is reflected in a service level risk. Based upon the activity already underway, flood alleviation is not considered to be a corporate risk.

Community impact

- 9 Risk management underpins all aspects of the council's strategic aims.
- 10 The risks within the registers are linked to the projects that are in place to deliver the council's priorities.
- 11 Risk management is an internal management process that is open to scrutiny from councillors and the public at the council's audit and governance committee meetings.

Equality duty

- 12 There are no equality duty implications arising from this report.

Financial implications

- 13 There are no financial implications associated with the recommendations.

Legal implications

- 14 There are no legal implications associated with the recommendations.

Risk management

- 15 There are no risks arising directly from the report. By reviewing the corporate risk register greater assurance is given that the council is managing its risks appropriately.

Consultees

- 16 Cabinet considered the end of year corporate risk register as part of the corporate performance and budget report at its meeting of 22 June 2017.

Appendices

Appendix A End of year corporate risk register

Background papers

- None identified.