Place and Sustainability Risk Register

Highways and Transport Committee

Meeting Date: 23 January 2024

From: Executive Director of Place and Sustainability

Electoral division(s): All

Key decision: No

Forward Plan ref: N/A

Executive Summary: This report provides an update on the approach adopted by the Place and Sustainability Directorate with regards to the management of 'Risk' within its Services, it includes details of relevant risks for this committee, and explains the link to the Corporate Risk Register. The committee is asked to consider the report, and comment on any of the risks identified, or areas of concerns that you would want the Directorate to consider that are not reflected on the register.

Recommendation: The committee is asked to:

Note the update from the Place and Sustainability Directorate.

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1.   Alignment with ambitions

1.1   **Net zero carbon emissions for Cambridgeshire by 2045, and our communities and natural environment are supported to adapt and thrive as the climate changes.**

The management of risks identified in this report relate to service delivery that contributes to achieving this ambition.

1.2   **Travel across the county is safer and more environmentally sustainable.**

The management of risks identified in this report relate to service delivery that contributes to achieving this ambition.

1.3   **Places and communities prosper because they have a resilient and inclusive economy, access to good quality public services and social justice is prioritised.**

The management of risks identified in this report relate to service delivery that contributes to achieving this ambition.

2.   Background

2.1   Cambridgeshire County Council is committed to effective risk management arrangements as a means of supporting the achievement of the council's strategic framework and ambitions. Risk management is a fundamental element of the council's Code of Corporate Governance. The approach enhances the organisation's strategic planning, prioritisation, supports it in achieving its objectives and strengthens its ability to be agile in response to future challenges.

2.2   The councils Risk Management Policy in conjunction with the Risk Management Toolkit aims to:

- Outline the approach to risk management, including the identification, assessment, monitoring, and mitigation of risk.
- Ensure that good practice in risk management is embedded across the council throughout 'business as usual' policies, procedures, and activity.
- Help council staff understand the key principles of effective risk management and risk management roles and responsibilities across the organisation.
- Establish the council's corporate risk appetite and guide staff in managing risk in a consistent and proportionate way.
- Outline a clear corporate escalation process for new and emerging risks.
- Signpost officers to further detailed guidance and support on risk management.

2.3   The objective of the Policy is to define a systematic corporate approach to risk management, which ensures that risks are identified and managed on a timely basis and in a proportionate manner.

2.4   The Chief Executive and the Corporate Leadership Team (CLT) are accountable for the effective management of risk within the council.

2.5   The council has defined risk as **"an uncertain event which, should it occur, will have an effect on the achievement of objectives**." Risk management is the process by which the council seeks to:

- Identify risks it may face.
- Assess the severity and likelihood of these risks, to prioritise them.
- Identify proportionate actions to minimise, monitor and control risk (or to maximise opportunities)

2.6   In assessing risk, the council uses a risk scoring matrix, in which the likelihood and the consequences of an event are considered. This matrix ensures officers across the council can take a consistent approach to assessing risks. Risk scores are calculated using the matrix by scoring both the likelihood and potential impact of the risk on scales of 1-5 and multiplying those figures to determine the risk score. Scores result in risks that are classified low, medium, or high. Scores between 1-4 are classified as low risk, scores. between 5-15 as medium risks, and 16-20 as high risks.

2.7   Actions to mitigate risks are applied and the residual risk determined in the same way as the initial risk score. The purpose of mitigations is to stop risks escalating in severity, and to reduce the risk level where possible.

2.8   The matrix reflects the council's risk appetite. The risk appetite is the amount of risk the council is willing to take in pursuit of its objectives. Over time the council's risk appetite can change depending on ambitions, priorities, and the environment in which the council operates. By ranking risks as low, medium, and high the council can ensure that resources are aligned to more tightly controlling the highest risk matters. The council has defined its maximum risk appetite as not accepting a residual risk score of 16 or more unless actions are planned to reduce the score to below this level on a timely basis. In exceptional circumstances, the Strategy and Resources Committee can approve a residual risk more than the risk appetite if it is agreed that it is impractical or impossible to reduce the risk level below 16.

2.9   Managing risks well brings the following benefits:
- **Transparency** within the organisation regarding key risks.
- **Consensus** about the main risks in various parts of the organisation.
- **Confidence** that key risks are recognised and are being managed.
- **Clarity and focus** with regards to the resource allocation associated with risk**.**
- **Ability to be able to take more risk** and exploit opportunities because they are understood and managed.
- **Raises performance** and as a result is a key part of the council's performance management approach**.**

2.10   As can be seen from the diagram below risk is recorded, monitored, and managed at 3 levels, Service, Directorate, and Corporate. Most risks are service level risks which are owned by an appropriate person, usually a manager or head of service, with specialist knowledge of the subject. Directorate level risks capture more significant risks, these being ones that could threaten the day-to-day operational activities within each Directorate and are owned by Executive Directors and their management teams. The most significant risks, referred to as corporate risks are monitored by the Corporate Leadership Team, and are those that could threaten the council's operations as a whole. Programme and Project risks can exist at any level. Risks can move between the levels to reflect changes in circumstances, become closed, or become issues, should the risk become realised.

Diagram showing Risk Tiers
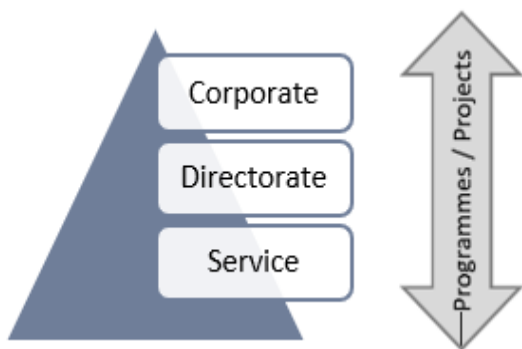
2.11   It should be noted that some risks are outside of the authority's control; this is especially true in a Local Government setting where statutory requirements need to be fulfilled. Whilst it is accepted that it may not be possible to prevent such risks occurring, it is expected that contingency plans and strategies are put in place to minimise and plan for any impact.

2.12   Directorate Risk Registers should be reported to the relevant Committee at least every six months, and more frequently if there is a significant change in risk profile. The Corporate Risk Register will be reported to Strategy & Resources Committee and Audit & Accounts Committee on at least a six-monthly basis, or more frequently to reflect any significant changes in the corporate risk profile. This report therefore presents the risks for the place and sustainability directorate to this committee.

3.   Main Issues

3.1   Place and Sustainability Approach

3.1.1   Place and Sustainability recognise that risk management is everyone's responsibility and effective management requires all staff to play their part whether that being to highlight risk, monitor, mitigate, or plan where possible to avoid it in the first place.

3.1.2   Good governance in respect of risk management is something that the Directorate acknowledges is a necessity rather than a desirable requirement, and as such ensures the subject receives sufficient focus. The Directorate Management Team (DMT) review the risk register monthly, with a full formal risk review undertaken quarterly. Managers can update the register and raise any concerns as necessary in the interim period between reviews at any DMT meeting. The register is now seen as a working document which is better

equipped to address emerging, current, and escalating risks, in a timely and effective manner.

3.1.3 There is an escalation process to enable risks managed at Directorate level to be escalated to CLT, and a proforma in place to allow managers to highlight and escalate such risks has been developed. (Appendix B)

3.1.4 Services within the Place and Sustainability Directorate adopt the same risk approach and escalate risks as necessary to DMT to manage at a Directorate level (Appendix A).

3.1.5 The Directorate Risk Register is now planned to be reported to this Committee on a six-month basis or more frequently to reflect any significant changes in the corporate risk profile.

3.1.6 During monthly reviews the key focus is on the following areas: high risks, new risks, escalating risks, any risks that have become issues, and consideration of whether any risks need escalating to the Corporate Risk Register.

3.1.7 As a result of extensive experience with the Directorate in running programmes and projects there is already a significant amount of expertise in managing risk, and consequently a risk management culture is already embedded.

3.1.8 The Place and Sustainability Risk Register pulls together key risks from across the whole Directorate. Many of the risks on the register are generic across services, while others are significant enough on their own to appear on this register as against appearing on the relevant Service Risk Register alone. The Risk Register attached as Appendix B includes generic risks across the Directorate and those others relevant to this committee.

3.1.9 As part of the Directorate's approach to risk management officers will make the link in reports coming before Committee where appropriate to any risks on the register relevant to the subject matter in the report, the level of risk, and how they are being mitigated. This transparency will help provide confidence to Members that risks are being continually managed.

3.1.10 It is anticipated moving forward that risk management will be included as part of future performance reports once a corporate template has been developed.

4.   Alternative Options Considered

N/A

5.   Conclusion and Recommendations

5.1   The management of risk is imbedded as a core activity within the Place and Sustainability Directorate, helping to ensure risks are mitigated, strategic vision priorities can be achieved, challenges overcome, and opportunities maximised.

5.2   Having considered the report, Committee is asked to note its contents.

6. Significant Implications

6.1 **Financial Implications**

There are no resources or financial implications resulting from this proposal.

6.2 **Legal Implications**

There are no legal implications resulting from this proposal.

6.3 **Risk Implications**

There are no significant risks arising from proposals in this report.

6.4 **Equality and Diversity Implications**

There are no significant implications resulting from the proposal in this information report.

6.5 **Climate Change and Environment Implications**

Not applicable.

Area	Officer	Sign off confirmed
Mandatory Sign offs (these are required for every report)		
Executive Director for: Place and Sustainability	Frank Jordan	07/12/2023
Finance	Sarah Heywood	
Legal	N/A	Agreed Emma Duncan 01/12/2023

Risk	Frank Jordan	07/12/2023
Equality and Diversity	(Information only report)	N/A Confirmed Faye McCarthy 11/12/2023
Corporate Clearance Group	Stephen Moir Michael Hudson Emma Duncan	N/A Confirmed Emma Duncan 11/12/2023
Climate Change and Environment	N/A	
Procurement	N/A	
Public Health	N/A	
Resources (Assets, IT, & HR)	N/A	
Communications	Christine Birchall	

7. Source Documents

7.1 Code of Corporate Governance
   Code of Corporate Governance 2022-23 (cambridgeshire.gov.uk)

   Risk Management Policy
   CCC Risk Management Policy (sharepoint.com)

   Risk Management Toolkit
   CCC Risk Management Toolkit 2023.pdf (sharepoint.com)