

# Corporate Risk Register

Review Month:

September 2021

Ref	Date Risk Identified	Risk Owner	Inherent Risk			Existing Mitigations & Controls (What has been done to control the risk?)	Residual Risk			Further Mitigations & Controls to be put into place	Target Implementation Date	Notes
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1	<b>Failure to deliver anticipated benefits of major projects (St Sidwell's Point and Bus &amp; Coach Station)</b>											
	<p><u>Potential Causes:</u></p> <ul style="list-style-type: none"> <li>- Failure to procure appropriate operator for leisure centre</li> <li>- Adverse weather / other delays typical of such projects</li> </ul> <p><u>Potential Impacts:</u></p> <ul style="list-style-type: none"> <li>- Increased costs to Council from project overspends or overruns</li> <li>- Not realising financial and cultural benefits anticipated from project delivery</li> <li>- Damage to Council's reputation and reduced credibility to deliver major projects in future</li> </ul>											
	October 2017	JP Hedge - Director Culture, Leisure and Tourism	3	3	9	<ul style="list-style-type: none"> <li>- Recruited experienced Project Manager, Quantity Surveyor and delivery team</li> <li>- Established high level Programme Board to oversee progress and delivery</li> <li>- Contractor appointed to build the facility, following a 2 stage collaborative approach in procurement.</li> <li>- Fixed price Design &amp; Build Contract, with a limited amount of Provisional Sums.</li> <li>- Technical Assurance &amp; Audit team has been procured to monitor compliance with the Contract, review ongoing performance and positively challenge the build team to help promote the identification and resolution of potential issues / problems.</li> </ul>	2	3	6	- Ongoing reporting of progress and potential issues to Client lead.	Ongoing  October 2020	Sept 2021 - no further update

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2	<p><b>Insufficient business continuity arrangements to recover critical services effectively</b></p> <p><u>Potential Causes:</u></p> <ul style="list-style-type: none"> <li>- Critical services not identified</li> <li>- Insufficient plans in place to recover critical services</li> <li>- Lack of testing of plans to ensure arrangements suitable</li> </ul> <p><u>Potential Impacts:</u></p> <ul style="list-style-type: none"> <li>- Essential services not recovered in timely fashion</li> <li>- Adverse media and public criticism leading to lack of trust in council</li> <li>- Non compliance with Civil Contingency Plan</li> </ul>											
	April 2013	Karime Hassan - Chief Executive	3	4	12	<ul style="list-style-type: none"> <li>- List of critical services agreed with SMB</li> <li>- Corporate Business Continuity Plan approved by SMB which sets out roles and responses to certain events (loss of building, loss of ICT etc.)</li> <li>- IT Disaster Recovery Plan in place</li> <li>- Business Continuity plans developed for all L10Critical services</li> <li>- Review of BCM undertaken by Internal Audit following implementation of plans in response to the Covid19 pandemic. Review focused on what worked well and what didn't work so well with a view to ensuring the plan is fit for purpose moving forward. This report is with SMB.</li> </ul>	2	3	6	<ul style="list-style-type: none"> <li>- Regularly review business continuity plans to ensure they are fit for purpose</li> <li>- Business continuity testing to be carried out in line with corporate policy.</li> </ul>	Ongoing  March 2022	<p><b>September 2021:</b></p> <p>Further work to be undertaken to establish the costs and implications of a formal standby system. Will require member approval</p>

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3	<b>Lack of leadership capacity to effectively deliver additional Council objectives and priorities</b>											
	<p><u>Potential Causes:</u></p> <ul style="list-style-type: none"> <li>- Significant draw on management resources following unanticipated new commitments or changes in political expectations</li> <li>- Medium Term Financial Plan will be under strain because of national decisions on New Homes Bonus and re-setting business rates</li> </ul> <p><u>Potential Impacts:</u></p> <ul style="list-style-type: none"> <li>- Higher likelihood of potential governance and performance failures due to stretched resources</li> <li>- Limited capacity for leading and delivering change activity impacting upon achievement of councils strategic priorities</li> <li>- Staff morale and burnout if over prolonged period</li> </ul>											
	June 2019	ECC Executive  'Karime Hassan - Chief Executive & Growth Director	4	4	16	<ul style="list-style-type: none"> <li>- Experienced and resilient senior management team</li> <li>- Organisational culture with values set up to deliver</li> <li>- Succession planning / effective deputies</li> <li>- Strong record of bringing in funding to support new initiatives / agenda and additional agenda.</li> <li>- Director appointed for Liveable Exeter housing programme</li> <li>- Place Board give visibility to broader programme and access to national funding routes</li> <li>- A Civic university agreement will bring strategic focus from key institutions on the challenges facing the city of Exeter and the ambitions identified in the Exeter 2040 vision.</li> <li>- Liveable Exeter Place Board engages the leadership of the cities institutions in city wide challenges and increased leadership capacity being deployed to the cities challenges</li> <li>- The corporate goals could be redefined to reduce their scope so that they are more narrowly defined so that only matters that the council can control would be measured. This would make the goals more achievable but would fail to deliver the Exeter 2040 vision.</li> </ul>	1	4	4	<ul style="list-style-type: none"> <li>- Support development of political discipline regarding understanding of challenges when embarking on new initiatives and recognition of resourcing levels within the Council.</li> <li>- Encourage more robust peer challenge amongst Members</li> <li>- Review method of celebrating achievements of council</li> <li>- Consider leadership development of tier 3/4 managers to develop strategic capability</li> <li>- A Civic university agreement will bring strategic focus from key institutions on the challenges facing the city of Exeter and the ambitions identified in the Exeter 2040 vision.</li> <li>- Liveable Exeter Place Board engages the leadership of the cities institutions in city wide challenges and increased leadership capacity being deployed to the cities challenges</li> <li>- The corporate goals could be redefined to reduce their scope so that they are more narrowly defined so that only matters that the council can control would be measured. This would make the goals more achievable but would fail to deliver the Exeter 2040 vision.</li> </ul>	TBC	<p><b>September 2021:</b></p> <p>Risk was changed from high to low in July. This is as a result of a number of interventions including, early engagement with the challenge of MTFP, identifying a clear strategy to address priorities to ensure balance of efficiencies, reductions and growth to support achievement of corporate goals. – it is proposed that as this risk has been mitigated to low risk that it is removed from the register for review by Audit &amp; Governance.</p> <p>To be removed - see covering report.</p>

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4	<p><b>Inability to deliver carbon neutral aspirations for Exeter by 2030</b></p> <p><u>Potential Causes:</u></p> <ul style="list-style-type: none"> <li>- Financial pressure and economics of carbon reduction</li> <li>- Behavioural challenges over influencing businesses and public</li> <li>- Technical capability to deliver</li> <li>- Lack of control over all stakeholders (businesses, visitors etc.)</li> <li>- Political environment and acceptance of policy changes required</li> <li>- Misalignment with Devon Climate Plan</li> <li>- Failure to engage with resident and business of Exeter to ensure solutions proposed meet real need</li> </ul> <p><u>Potential Impacts:</u></p> <ul style="list-style-type: none"> <li>- Reputational</li> <li>- Failure to deliver inclusive growth and retain vibrancy of Exeter as a great place to live</li> <li>- Conflict within Region</li> <li>- Short term changes may not be sustainable</li> </ul>											
	08.11.19	Executive  Updates to be provided by David Bartram - Director Net Zero Exeter & City Management	4	3	12	- Strategic partnerships - 12 Goals defined for the city to provide framework for carbon neutral. Goals reflect priorities of business and residents - Plans in place to develop roadmap for carbon neutral 2030 - Other major public sector organisations have already committed to becoming carbon neutral (e.g. University of Exeter, Devon County Council)- - SWEEG have been appointed to start work on the City Council Carbon Action Plan following on from the successful carbon baseline study. This will examine our carbon production at a service level and provide practical actions and measures to reduce our production to net zero by changing the way we work or offsetting. Work is continuing on bringing forward proposals for resources to deliver the carbon net zero programme.	4	3	12	Continue to invest in supporting ECF as a partner organisation to ensure that the ambition to be net-zero is continually communicated and residents and businesses are engaged; ensuring all voices are heard and the solution being developed are benefitting the residents and business.  - Improve national communication positioning Exeter as a leading sustainable City highlighting what we are doing - through ECF and Livable Exeter activities  - Ensure clear alignment with DERG and national climate action plans to ensure Exeter's plan is incorporated	Apr-30	September 2021 : No further update

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5	<p><b>Failure to meet Exeter's Housing supply needs as a planning authority and meet strategic 5 years ambitions</b></p> <p>Potential Causes:</p> <ul style="list-style-type: none"> <li>- Inadequate Land supply</li> <li>- Not granted enough planning permissions</li> <li>- Student development cannot be included in housing supply figures</li> <li>- House builders drip feeding</li> <li>- Political / community buy in to developments</li> <li>- Exeter Local Plan not progressing quickly enough, encounters delays in programme, or is delayed by external factors such as changes to the Planning system or though protracted discussions with neighbouring authorities re region wide issues.</li> </ul> <p>Potential Impacts:</p> <ul style="list-style-type: none"> <li>- Vulnerability to development coming forwards/gaining consent which is not in keeping with the character of the city and which may be contrary to strategic ambitions - such as the 2040 Vision or net-zero commitment.</li> <li>- Financial risks with increased appeals, and potentially lost income</li> <li>- Social outcomes - inequality, rising social service costs - significant waiting list</li> <li>- Reputational impact if development on not appropriate location</li> </ul>											
	June 2013	Bindu Arjoon - Director	4	3	12	<ul style="list-style-type: none"> <li>- Brownfield opportunities identified and developed into the Liveable Exeter strategy</li> <li>- The Liveable Exeter programme has secured further funding to support work on the Liveable programme</li> <li>- Higher density developments being encouraged within the city centre.</li> <li>-Social Housing being developed following the lifting of borrowing cap- ambition for 500 homes over 10 years'</li> <li>- Appropriately briefing members to ensure robust decision making processes</li> <li>- The 5 year land supply position has further improved with land supply currently at 4 years and 7 months.</li> </ul>	3	2	6	<ul style="list-style-type: none"> <li>- The Local plan is continuing to progress with a timetable now established and the statement of community involvement developing.</li> <li>- Selling positive image of high quality high density brownfield developments through the Liveable Exeter programme.</li> <li>- using existing planning policy to resist inappropriate development proposals in order to continue to protect the character and beauty of the city.</li> <li>- regular updating of the 5 year land supply position in order to closely monitor land supply in the city</li> </ul>	Ongoing	September 2021 - no further update.

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6	<p><b>Failure to adapt council workforce to ensure appropriate skills and experience</b></p> <p><u>Potential Causes:</u></p> <ul style="list-style-type: none"> <li>- Ageing workforce (half of staff over 50, considerable enough)</li> <li>- Difficulty to recruit into key areas - professional areas (planners, lawyers)</li> <li>- Empowerment, skills and engagement of managers to enable this change</li> </ul> <p><u>Potential Impacts:</u></p> <ul style="list-style-type: none"> <li>- Loss of experience</li> <li>- Increased spending on agency workers</li> <li>- Not having cost effective council services delivering the right outcomes</li> <li>- Service disruption</li> <li>- Cost of appeals / challenges across the council services</li> <li>- Increased stress / pressure on workforce</li> </ul>											
	June 2019	Baan Al-Khafaji	3	3	9	<ul style="list-style-type: none"> <li>- Market supplement scheme in place</li> <li>- Apprenticeship opportunities for new and existing staff</li> <li>- Employing part qualified staff and training them (internal and external) - procurement, planning etc.</li> <li>- Improvements in metric tracking (age, gender, skills profiles)</li> <li>- Business Partnering model allowing for greater collaboration between service areas and HR</li> <li>- Metrics reported to SMB</li> </ul>	2	3	6	<ul style="list-style-type: none"> <li>- Ensure robust implementation of new workforce planning process (local mgmt team led)</li> <li>- Utilising agile program to compliment modernisation of work environment</li> <li>- Review of progress against GDR.</li> </ul>	Ongoing	September 2021: No further update

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7	<b>Maintaining the Financial Sustainability of the Council</b>											
	<p>Potential Causes:</p> <ul style="list-style-type: none"> <li>- Fair funding review from central government involving rebaselining of business rates (income loss of £2.5m per annum) and determination of a new formula which could have funding implications.</li> <li>- Inability to deliver £6m savings target over three year period</li> <li>- Move to 75% business rate retention rather than government grant increases volatility of income and dependence upon growing local economy and business rates.</li> <li>- Inability to grow Exeter city centre and associated business rates etc.</li> <li>- Policy, regulatory or legislative changes which are not fully funded from central govt.</li> <li>- Failure to realise commercial ambitions of council</li> </ul> <p>Potential Impacts:</p> <ul style="list-style-type: none"> <li>- unable to balance budget</li> <li>- reduced income for council services</li> <li>- larger than anticipated cuts (in year or over longer term)</li> <li>- reduction in reserves</li> <li>- impacts on council services and therefore resident outcomes</li> </ul>											
	January 2018	Dave Hodgson - Director Finance	4	4	16	<ul style="list-style-type: none"> <li>- Detailed MTFP assessed and agreed with Members</li> <li>- savings plan agreed and being implemented with suitable governance arrangements in place.</li> <li>- Budget for 2021-22 agreed with significant reserves to protect against Covid related income losses.</li> <li>- Significant investment in city centre regeneration (st sidewall's point &amp; bus station) including developing a new vision for the rest of the site which includes mixed use</li> <li>- Business Development manager extended to continue to identify and grow commercial opportunities</li> <li>- Strong level of unringfenced general fund reserves to protect against shocks</li> </ul>	2	4	8	<ul style="list-style-type: none"> <li>- Continue to respond to consultations making case for council</li> <li>- Lobby government for relaxation of council tax increase restrictions</li> <li>- Further development of role and scope of business development manager position</li> <li>- The emergency budget and subsequent government support in respect of compensation schemes for income losses has enabled the Council to set aside funds to protect against further income losses as a result of continued restrictions in place to protect against Covid. The Council has a clear strategy to address the £6m savings required, although the exact timing of Government decisions around Business Rates and New Homes Bonus remains uncertain.</li> </ul>	Dec-21	<b>September 2021:</b> The MTFP has been updated to reflect the latest expectations surrounding Government funding. Further development of the proposals, planned during September and October.

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8	<p><b>Inability to deliver carbon neutral operations for Exeter City Council by 2022</b></p> <p>The Council have committed to make their own operations carbon neutral ahead of 2030 in order to lead the City by example. There is a risk that this is not achieved.</p> <p>Potential Causes:</p> <ul style="list-style-type: none"> <li>- Failure to establish a clear target and trajectory to reduce carbon impact from Council operations</li> <li>- Failure to communicate and engage with staff at all levels to understand the changes required and to identify solutions</li> <li>- Inability to establish baseline and indicators that can measure progress</li> <li>- Unclear ownership of cross-directorship activity and failure to identify/deliver efficient action</li> <li>- Conflicts between carbon reduction and other strategic priorities e.g. cost savings</li> <li>- Failure to balance need for immediate practical action with need for analysis of baseline</li> <li>- Failure to understand the scale of resources (human and financial) required to deliver change</li> <li>- Financial pressures mean resources are not available</li> </ul> <p>Potential Impacts:</p> <ul style="list-style-type: none"> <li>- Reputational</li> <li>- Carbon reduction targets will become harder as we approach 2030 which mean the financial investment will increase</li> <li>- Central government may mandate changes that are costly to implement and dont meet local needs</li> </ul>											
	08.11.19	'David Bartram - Director Net Zero Exeter & City Managemen	4	3	12	<p>Full Council have agreed to make operations of Exeter City Council carbon neutral</p> <p>Corporate Energy team has already delivered impactful projects linked to energy reduction and renewal energy generation.</p> <p>Passive Haus projects demonstrating commitment to energy efficient council housing stock.</p>	4	3	12	<p>Develop cross-directorship sustainability plan that incudes: 1.energy (reduction and generation); 2. mobility (Council fleet and staff travel); 3.Sustianability (air quality, biodiversity, resource management); 4. capability (skills, data, operational processes)</p> <p>- Appointment of Director/Senior Officer to assess cross-directorship sustainability performance and identify areas for improvement as well as tracking and reporting progress on carbon performance</p> <p>- Undertake full review of internal policies and processes that are in conflict with carbon neutral aspirations and highlight opportunities for change</p> <p>- Improve communications of Council activities to make own operations carbon neutral and showcase as exemplar to other organisations</p>	Apr-22	<p><b>September 2021:</b></p> <p>SMB have agreed to remove this item. Expectation that the team, when in post, will be looking to set out a plan for delivery of a net zero Council.</p>

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9	<p><b>Increased cost of all capital building Projects</b></p> <p>Potential Causes:</p> <ul style="list-style-type: none"> <li>- There will be increased costs as a direct result of actions required to manage the new risks associated with COVID 19 risk</li> <li>- Shortages of materials and labour causing delay and increased costs across the capital programme.</li> </ul> <p>Potential impacts</p> <ul style="list-style-type: none"> <li>- Increased costs to Council</li> <li>- Delay in all projects, predominantly St Sidwell's Point and the resulting loss of income and also the condition survey projects, leading to prolonged periods of buildings being below the standard the Council is aiming for.</li> </ul>											
	August 2021	Dave Hodgson - Director Finance	4	4	16	The global economic impacts are difficult to mitigate. Members may need to reprioritise, accept higher tender costs or delay the capital programme. Those projects already underway will see additional costs	4	4	16	Review timing of existing capital programme	Feb-22	<p><b>September 2021:</b></p> <p>As has been widely reported, cost inflation has grown significantly in construction. In addition to the specific challenges facing St Sidwell's Point and the Bus Station, this pressure is applying to the wider capital programme, particularly, but not limited to, the £37 million condition survey programme. As the financial impact is potentially significant, the risk previously reported in respect of St Sidwell's Point is being expanded to include the whole capital programme.</p>