



# Corporate Risk Register

## 1 Inability to deliver Carbon Net Zero aspirations for Exeter by 2030 (External)

Potential Causes:

- Financial pressure and economics of carbon reduction
- Behavioural challenges over influencing businesses and public
- Technical capability to deliver
- Lack of control over all stakeholders (businesses, visitors etc.)
- Political environment and acceptance of policy changes required
- Misalignment with Devon Climate Plan
- Failure to engage with resident and business of Exeter to ensure solutions proposed meet real need

Potential Impacts:

- Reputational
- Failure to deliver inclusive growth and retain vibrancy of Exeter as a great place to live
- Conflict within Region
- Short term changes may not be sustainable

08.11.19	Executive Updates to be provided by Karime Hassan Chief Executive & Growth Director	4	3	12	<ul style="list-style-type: none"> <li>- Strategic partnerships</li> <li>- 12 Goals defined for the city to provide framework for carbon net zero. Goals reflect priorities of business and residents</li> <li>- Plans in place to develop roadmap for carbon net zero 2030</li> <li>- Other major public sector organisations have already committed to becoming carbon neutral (e.g. University of Exeter, Devon County Council)</li> </ul>	4	3	12	<ul style="list-style-type: none"> <li>- 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.</li> <li>- Improve national communication positioning Exeter as a leading sustainable City highlighting what we are doing - through ECF and Livable Exeter activities</li> <li>- Improve national communication positioning Exeter as a leading sustainable City highlighting what we are doing - through ECF and Livable Exeter.</li> <li>- Invite Exeter City Futures CIC to reflect on the challenges of resourcing the step change in activity to meet the Net Zero 2030 Goal and options for meeting the challenges be provided for consideration by the Executive and Council;</li> <li>- Look into the practical issues raised for the construction sector and the supply chain to meet the demands of retrofitting the housing and commercial stock, and address the financial, technical and policy issues;</li> <li>- Target a particular intervention to test whether progress could be made with the council providing the funding or upfront capacity, such as the goal of connecting homes and non-residential buildings to a district heat network and to explore the practical challenges to securing delivery with limited capacity against the 2030 time line. This will highlight the practical considerations required of the public sector partners to support the scale</li> </ul>	Apr-30
									<ul style="list-style-type: none"> <li>- of the ask. In Exeter's case to connect some 11,200 additional homes to a heat network by 2030.</li> <li>- investigate the practical issues that have to be addressed to achieve verifiable mechanisms for net biodiversity gains and carbon sequestration to address the challenge of delivering a Net Zero Exeter.</li> </ul>	
<b>Tracking Notes and Monitoring:</b>										
<b>September 2022:</b>										
Updates to work to be done provided.										



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## 2 Failure to meet Exeter's Housing supply needs as a planning authority and meet strategic 5 years ambitions

Potential Causes:

- Inadequate Land supply
- Not granted enough planning permissions
- Student development cannot be included in housing supply figures
- House builders drip feeding
- Political / community buy in to developments
- 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.

Potential Impacts:

- 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.
- Financial risks with increased appeals, and potentially lost income
- Social outcomes - inequality, rising social service costs - significant waiting list
- Reputational impact if development on not appropriate location

June 2013	Executive	4	4	16	4	4	16	Ongoing
<p>Updates to be provided by Ian Collinson, Director of City Development</p> <p>- Brownfield opportunities identified and developed into the Liveable Exeter strategy</p> <p>- The Liveable Exeter programme has secured further funding to support work on the Liveable programme</p> <p>- Higher density developments being encouraged within the city centre.</p> <p>- Social Housing being developed following the lifting of borrowing cap- ambition for 500 homes over 10 years'</p> <p>- Appropriately briefing members to ensure robust decision making processes</p> <p>- The Council is currently able to demonstrate a housing land supply of 4 years and 8 months against the 5 year requirement</p> <p>- The Local plan is continuing to progress with a timetable now established and the statement of community involvement developing. The first statutory stage of public consultation on the Local Plan was completed in November 2021 (Regulation 18 Issues Consultation)</p> <p>- Selling positive image of high quality high density brownfield developments through the Liveable Exeter programme.</p> <p>- using existing planning policy to resist inappropriate development proposals in order to continue to protect the character and beauty of the city.</p> <p>- regular updating of the 5 year land supply position in order to closely monitor land supply in the city</p>								

### Tracking Notes and Monitoring:

#### March 2022:

The Planning Inspector for the Pennsylvania Road appeal (held November 2021) has concluded that the Council is able to demonstrate a housing supply of 4 years and 8 months. Since that appeal decision was received, a further appeal has been held for Land at Redhills. At that appeal hearing, the Council argued that it is now able to demonstrate a 5 year housing supply due to the granting of planning consents since November 2021. However, until the Redhills appeal decision is received, the Council must accept that it cannot demonstrate a 5 housing supply for development management purposes."

**Sept. 2022:** At the Spruce Close appeal, the Inspector has determined that Exeter does not have 5-year land supply. The Planning Committee has resolved to refuse the former Police Station, Heavitree Road application for PBSA and Co-living. The Director of City Development has signed a PPA to bring forward a planning application for land at Water Lane. ECC has been granted a further £250,000 government capacity funding for 2020/21 to support Liveable Exeter. The Statement of Community Involvement has been adopted; Executive has approved the outline draft Exeter Plan for public consultation, commencing 26.09.22; consultants have been appointed to develop a set of Liveable Exeter principles and a detailed design code for Water Lane and Marsh Barton.

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## 3 Failure to adapt council workforce to ensure appropriate skills and experience

Potential Causes:

- Ageing workforce (half of staff over 50, considerable enough
- Difficulty to recruit into key areas - professional areas (planners, lawyers)
- Empowerment, skills and engagement of managers to enable this change

Potential Impacts:

- Loss of experience
- Increased spending on agency workers
- Not having cost effective council services delivering the right outcomes
- Service disruption
- Cost of appeals / challenges across the council services
- Increased stress / pressure on workforce

	June 2019	Baan Al-Khataji Director Corporate Services	3	3	9	2	3	6	Ongoing
					<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>			<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>	

**Tracking Notes and Monitoring:**

**March 2022:** No further update received

**June 2022:** No further update received

## 4 Maintaining the Financial Sustainability of the Council

- Potential Causes:
- 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.
  - Inability to deliver £6.6m savings target over four year period.
  - Inability to grow Exeter city centre and associated business rates etc.
  - Policy, regulatory or legislative changes which are not fully funded from central govt.
  - Impact of high inflation, rising interest rates and other external economic factors.
- Potential Impacts:
- unable to balance budget.
  - reduced income for council services.
  - larger than anticipated cuts (in year or over longer term).
  - reduction in reserves.
  - impacts on council services and therefore resident outcomes.

4	2	4	8	Dec-22
<p>January 2018</p> <p>Dave Hodgson – Director Finance</p>	<p>4</p> <p>16</p> <ul style="list-style-type: none"> <li>- Detailed MTFP assessed and agreed with Members</li> <li>- One Exeter plan agreed and being implemented with suitable governance arrangements in place.</li> <li>- Budget for 2022-23 agreed with significant reserves to protect against Covid related income losses.</li> <li>- Significant investment in city centre regeneration (St Sidwell'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>	<p>4</p>	<p>8</p>	<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>- 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> <li>- Significant funding in an earmarked Reserve to protect against income shortfalls or timing issues with reductions.</li> </ul>
<p><b>Tracking Notes and Monitoring:</b></p> <p><b>September 2022:</b></p> <p>The MTFP has been updated and the pay award / inflation means that savings are required totalling £6.6m regardless of the outcome of Government decisions.</p>				



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## 5 Increased cost of all capital building Projects

**Potential Causes:**

- Shortages of materials and labour causing delay and increased costs across the capital programme.
- Interest Rate rises causing the cost of borrowing to rise significantly.

**Potential impacts**

- Increased costs to Council
- Delay in all projects, predominantly the condition survey projects and HRA programme, leading to prolonged periods of buildings being below the standard the Council is aiming for.

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 arising.	4	4	16	Review existing capital programme with a view to deferring and removing schemes. Change of emphasis to internally borrow in the short term to offset interest rate rises.	Dec-22
<b>Tracking Notes and Monitoring:</b>										
<b>September 2022:</b> Interest rates have now increased to around 2.5% higher than at the start of the year. This adds around £25,000 per million borrowed. This will have a negative impact on the revenue position of the Council, when further external borrowing is required.										

## 6 Failure to deliver the Liveable Exeter Programme

### Potential Causes:

- a challenge to the viability of development
- inadequate funding for brownfield land regeneration
- lack of staff resources to support the work
- inability to address complex land assembly and infrastructure challenges
- significant abnormal costs associated with this type of programme

### Potential impacts

- increased costs to the Council
- carbon neutral not achieved by 2030
- city housing needs not met by 2040
- new communities not created
- active and accessible city aspirations not met
- new homes do not meet Garden City principles
- housing built in locations the council is seeking to avoid

Nov 21	Executive	4	4	16	<ul style="list-style-type: none"> <li>- Brownfield land release fund:               <ul style="list-style-type: none"> <li>- project management capacity brought in</li> <li>- sites included in ECL business case</li> </ul> </li> <li>- Director of Planning &amp; Development appointed</li> <li>- examples of the strategic investment required are the housing infrastructure fund (HIF) and other strategic investment funds such as administered by One Public Estate and the Department for Levelling Up, Housing and Communities</li> <li>- some funding has been secured on an annual basis from Homes England</li> <li>- LDA design commissioned to produce Marsh Barton Development framework</li> <li>- DCC &amp; ECC progressing work on development brief for Southgate</li> </ul>	4	4	16	<p>work to be undertaken with One Public Estate on the Exeter City Fund concept</p> <ul style="list-style-type: none"> <li>- there needs to be a willingness to acquire land and property to move forward in a sensible phased programme including a willingness to compulsory purchase land</li> <li>- need to step up the support commensurate with the scale and pace of development required</li> <li>- new local plan that includes the vision and principles as part of the formal planning policy</li> <li>- the Council adopts an enabling culture rather than relying on a regulatory culture</li> <li>- Exeter City Living to lead by example</li> <li>- Exeter Place Board to bring together the city's institutions to take ownership of the vision and aspirations and to work collectively on obstacles to delivery</li> <li>- draft tender for parking strategy</li> <li>- City Fund outline business case in draft with Scrutiny Committee</li> <li>- Officer to continue to approach landowners in key locations to bring forward key sites in the programme</li> </ul>	Nov-24
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### Tracking Notes and Monitoring:

#### Sept 2022:

Joint Scrutiny Committee has held three meetings to better understand the Exeter Development Fund concept. This has identified the outline business case, the failings with the current business as usual model, the opportunities with development corporation models of delivery, and the challenges to viability as a consequence of the current approaches to funding development. A Task and Finish Group has been established for scrutiny to conclude its consideration of the concept prior to Executive considering the proposal. DLUHC Garden Communities capacity funding is being used effectively to help unlock sites, but this funding is not sufficient and is at risk of being scrapped. The level of resources required to support an ambitious transformation programme is significant and whilst the development corporation model would be a means to secure greater resources to the programme, this could be years away. There are tangible examples of progress being made with the programme and progress with the Exeter Plan preparation (see also above under Risk 2). There is strong private sector interest in the Water Lane area and St David's Station/Red Cow and ECC has built a strong collaborative approach with land owners/developers. Consultants have been engaged to master plan the Marsh Barton area and develop a strategic design code for Water Lane. This work is to be replicated across other strategic sites, given sufficient resources. However strategic uncertainty is hitting confidence in the construction sector where inflation is hurting viability. Developers are unable/unwilling to risk significant investment in bringing forward brownfield land. Homes England is reluctant to commit government funding to provide infrastructure loans/grant and acquire land to unlock sites. ECL is continuing to develop a pipeline of deliverable sites on Council owned land with support from City Development. Recent appeal decisions have left the Council in a weak policy position.



# Corporate Risk Register

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## Inability to deliver Carbon Net Zero aspirations for Exeter City Council operations by 2030 (Internal)

At the request of members, with effect from June 2022 this risk is now the subject of a separate risk register to be present half yearly to the Audit & Governance Committee by the Corporate Energy Manager, Net Zero Team