



Report to Audit and Governance Committee

Date:	05 July 2023
Reference number:	N/A
Title:	Risk Management Group Update
Cabinet Member(s):	N/A
Contact officer:	Maggie Gibb, Head of Business Assurance (& Chief Internal Auditor)
Ward(s) affected:	N/A
Recommendations:	Members are recommended to note the report.
Reason for decision:	N/A

1. Executive summary

- 1.1 The purpose of the report is to provide an update on the Risk Management Group (RMG) meeting held on 12 June 2023.
- 1.2 The Council's Risk Management Framework, including the Terms of Reference for the Risk Management Group, was approved by the Audit and Governance Committee in June 2021.

2. Content of report

- 2.1 For the Risk Management Group meeting held on 12 June 2023, the Corporate Director for Planning, Growth and Sustainability (PGS) along with the Service Director for Economic Growth and Regeneration, the Business Strategy Manager, and the Head of Finance for PGS were in attendance.
- 2.2 Since PGS last attended RMG, there had been some structural changes within the directorate within the Transport Infrastructure and Funding service having been dispersed. The functions of that team which related to holding High Speed Two

Railway (HS2) and East West Railway (EWR) to account and managing the delivery of highways infrastructure projects had moved to the Communities Directorate. The function of that team which related to Transport Strategy and Funding had moved into the Planning and Environment Service.

- 2.3 The key risk themes were as follows:
- 2.4 **PGS-PE-21 Single IT System** - IF a single IT system / software package (e.g. Uniform) is not delivered in a timely way THEN this will extend the impact on the ability of services such as planning and housing to operate business as usual AND this would impact on performance with potential complaints and reputational damage.
- 2.5 **PGS-PE-59 Housing Infrastructure Fund (HIF)** – Failure to deliver the requirements of the HIF contracts between the Council and Homes England. This will mean that critical infrastructure and associated housing sites do not come forward. The Council then faces risks related to repaying costs, funding shortfalls in finances and jeopardising the five year housing land supply.
- 2.6 **PGS-MT-01 Recruitment & Retention** - IF we do not recruit and retain sufficient numbers of experienced and adequately skilled staff THEN we may not be able to deliver services to the expected standard and service delivery may suffer.
- 2.7 **PGS-KF-02 Impact of Economy on Property Asset Value & Rental Income** - IF the longer term impacts of COVID and the recent economic downturn & changes in the Property Market result in investment properties devaluing AND/OR tenants defaulting and struggling to pay rents THEN this this will result in pressure to the Council through loss of tenants (loss of income; payment of voids rates and utilities), additional borrowing costs for capital expenditure (CAPEX) to enhance the assets to attract new tenants/restructure buildings, and reduced ability to generate new income to meet Medium Term Planning Financial (MTFP) targets.
- 2.8 **PGS-KF-03 Ongoing Budget Sustainability for Corporate Estate (maintenance, dilapidations, etc. on offices, theatres, leisure, car parks, libraries and others)** - IF the age of the Corporate Estate begins to demand increased maintenance requirements THEN there is likely to be unbudgeted pressures on the Capital Programme.
- 2.9 **PGS-KF-05 S106 / CIL** - IF Section 106 (of the Town and Country Planning Act 1990 allows a local planning authority to enter into a planning obligation with a landowner as part of the granting planning permission) and Community Infrastructure Levy (CIL) receipts are not monitored and managed effectively across the Council THEN this will have an impact on the council's ability to programme and utilise the receipts in the best way to deliver Member priority outcomes for the council.

- 2.10 **PGS-KF-10 Asbestos Indemnity Liability on transferred housing stock** - IF the projected expenditure on asbestos removal for two Housing Providers with whom the Council has an indemnity liability is more than budgeted for THEN the Council will have unbudgeted financial pressures that it is legally obliged to cover.
- 2.11 **PGS-KF-11 Temporary Accommodation Costs** - IF Temporary Accommodation Demand AND/OR costs for hotels increase, AND the demand or costs cannot be reduced through prevention or additional units, THEN there will be revenue budget pressures.
- 2.12 The risks were discussed in detail, as well as the mitigating actions being challenged by the members.
- 2.13 New risks, risks which had been de-escalated or closed and a sample of non-escalated risks were included in the report from the PGS directorate.

3. Other options considered

- 3.1 N/A.

4. Legal and financial implications

- 4.1 None.

5. Corporate implications

- 5.1 None.

6. Local councillors & community boards consultation & views

- 6.1 N/A

7. Communication, engagement & further consultation

- 7.1 N/A.

8. Next steps and review

- 8.1 The next meeting of the Risk Management Group is to be held on 17 July 2023.

9. Background papers

- 9.1 None.