

Appendix 1 – Corporate Risk Management Report – February 2024

Background

1. Risk management is a key element of East Cambridgeshire District Council’s Code of Governance.
2. The Audit Committee is responsible for overseeing the Council’s Corporate Risk Register. Six monthly updates on the Corporate Risk Register are presented to the Audit Committee.

Corporate risk register updates

3. The Corporate Risk Register has been updated, and is attached at **Appendix 2**.
4. The register includes scores for **inherent** risks (before any mitigating controls are considered) and **residual** risk (after taking account of key controls, which are listed). Any planned actions to further mitigate risks are also shown.
5. Also included in the register, since January 2023, is a column capturing sources of assurance.
6. The risk scoring and rating is illustrated in the scoring matrix, which is also used to highlight the significance of the residual risks in a “heat map”, which accompanies the Corporate Risk Register.
7. The Corporate Risk Register is reported to the Committee twice per year. Changes to the risk register, and relevant updates, are reported to the Committee for awareness.
8. Current developments and changes to risk scores since the register was last presented to Audit Committee are detailed in the below table

Risk	Description
A6 East Cambridgeshire Street Scene (ECSS) Ltd fails to deliver upon its Business Plan	<p>Increase in inherent risk from 15 (likelihood 3 and impact 5) to 25 (likelihood 5 and impact 5). This was reported to the Audit Committee in October 2023 to explain the basis for this amendment and was also reported to Full Council in November 2023 – as a red risk for both inherent and current risk.</p> <p>The current risk has since been reduced to 12 (likelihood 4 and impact 3) in January 2024. This was on the basis that actions had been progressed in relation to the updating of the Memorandum of Agreement which includes KPIs and review mechanism for overspends; and the purchase of ten vehicles to replace nine-year-old vehicles from the fleet.</p>

Risk	Description
A7 Failing to deliver a cost effective, sustainable and high quality domestic Waste Collection and Street Cleansing Service	New risk entry This was reported to the Audit Committee in October 2023 to explain the basis for this amendment and was also reported to Full Council in November 2023 – as a red risk.
B1 Inability to balance the Council's annual budget.	Reduced residual score from 8 (2 of likelihood and 4 for impact) to 3 (1 for likelihood and 3 for impact). This is on the basis of the forecast outturn for 2023/24 and the balanced budget for 2024/25 as recently presented to Finance and Assets Committee.
B3 Inability to balance the Council's Medium-Term Financial Strategy	New risk entry Recognises the different risk scoring for the current year budget (covered in risk B1) and the longer-term position in relation to the Medium Term Financial Strategy (MTFS). The MTFS shows a predicted balanced budget for 2024/25 but with an estimated savings requirement of £3.4 million and £5.8 million for 2026/27 and 2027/28 respectively.
C3 Non-compliance with legislative and regulatory requirements.	Increase in inherent risk from 6 (likelihood 2 and impact 3) to 12 (likelihood 3 and impact 4). The residual score has been increased from 3 (likelihood 1 and impact 3) to 9 (likelihood 3 and impact 3) to reflect the ever increasing regulatory and legislative requirements being imposed on the Council.
D2 Failure to deliver upon strategic development plans and requirements.	The residual score has been reduced from 12 (likelihood 3 and impact 4) to 8 (likelihood 2 and impact 4), following the completion of the Single Issue Review and adoption of the amended Local Plan by Council in October 2023.

Corporate residual risk heat map

- An updated risk heat map is included at **Appendix 3** which shows the residual risk level for each of the risks. This gives a quick view of where each risk sits in relation to the Council's risk appetite, i.e. any risks with a residual score greater than 15 require formal monitoring.

Conclusion

10. Risk management processes follow good practice, and are considered proportionate. These are documented in a Risk Management Policy, with a supporting framework.
11. The Risk Management Group continue to review the Risk Register on a quarterly basis to ensure all risks are recognised and up to date.
12. The Council's Corporate Risk Register shows each risk and details the owner and the key controls, both in place or planned, designed to minimise any impact on the Council and its provision of services to stakeholders.
13. The Risk Management Policy requires managers to keep all risks under review, and the Corporate Risk Register has been updated accordingly.