

Audit & Governance Committee

28 September 2016

Report of the Assistant Director, Customers & Business Support Services, Customers & Employees

Key Corporate Risk Monitor 2 2016/17

Summary

1. The purpose of this paper is to present to Audit & Governance Committee (A&G) an update on the key corporate risks for City of York Council (CYC), and the present refreshed Key Corporate Risk (KCR) Register 2016.
2. Risk management at CYC identifies the key risks for the authority and how they are being managed. This process may demonstrate that risks are being managed very well but need ongoing monitoring, others need action taken to manage the risk effectively. The role of this Committee is to assess whether the full risk environment is being adequately reviewed, key risks are identified and receive assurances that risks are being mitigated through targeted monitoring and/or action.

Background

3. The risk management process at CYC ensures that all key and emerging risks are reported regularly to A&G on at least a quarterly basis. The purpose of this paper is to provide assurance that the council identifies understands, effectively manages and reviews its key risks.
4. A key element in the work to revitalise risk management throughout the authority was to get risk back onto the corporate agenda.
5. This work has been very successful and we now see risk routinely featuring on DMT agendas on a quarterly basis. These sessions are used to update any key corporate risk (KCR) which has been allocated to the Director for

management. It is also an opportunity to consider any risks which might be on the horizon and facilitate dialogue around risk in general.

6. Initial one to one meetings have now taken place with the majority of Directors and this has worked well. In addition to the certainty that the risks are accurate and up to date, the risk management officer also has the opportunity to further discuss and understand the issues and challenges that the directorate faces. This knowledge is valuable when discussing risk issues with other colleagues in the organisation to assist with context.

Key Corporate Risk (KCR) update

7. By their very nature, the KCRs remain reasonably static with any real movement being shown in further actions that are undertaken which strengthen the control of the risk further. The current KCRs can be found at Annex A.
8. Work is now underway following the feedback from committee that the risks were not clearly articulated. This issue arose due to the evolution of the KCRs which had initially been themes rather than actual risks that required management. This work is ongoing.
9. There will be work required to reallocate some of the KCRs due to the realignment of services. The risk management team are attending a session with the management team within the Place directorate in late September and this will help to drive the work forward.
10. A significant risk area is reviewed at each A&G meeting, and is outlined below.

Flood Risk Management

11. The author has sought the assistance of the Corporate Flood Risk Manager to provide further information around how CYC and partners manage risks relating to flooding in all its forms.
12. It is important to note that there is no one agency who is tasked with the management of risk in relation to floods, it is very much a collaborative approach.

13. Fluvial flooding, or river flooding is the issue that is in the forefront of residents minds given the catastrophic flooding which hit the City and many other areas in December 2015. This flood event in York resulted in over 450 residential properties being flooded internally and approximately 175 businesses, some of which are still being repaired.
14. The Environment Agency are centrally funded by Government and are the lead risk management body who have permissive powers in relation to the main rivers which in the case of York are the Ouse, the Foss and the tributaries. These powers enable them to carry out maintenance and improvements along their length.
15. Following severe flooding in 1982 numerous physical flood defences were constructed in the York area and these include the Foss Barrier and the raised frontages. These were designed to mitigate the effects of flooding for the 1 in 100 year type events, however subsequent research and climatic change has demonstrated that they are now required to be effective for events that 1 in 75.
16. Even with defences in place, there is always a risk that the design may be overwhelmed or the integrity may fail when faced with exceptional events. For example, in the 2000 floods the North Street defences had to be supplemented with sandbags to ensure that it was not breached.
17. Considering what further physical measures could be taken, dredging is one possibility, however, this is an onerous task as it must be repeated on a frequent basis. In order for dredging to be effective, hundreds of kilometres would have to be done which would be extremely costly and would have a huge environmental impact.
18. In the future as a result of climatic change there may be a requirement to manage the rivers at source on the moors which would have a beneficial impact on the catchment area. This presents a number of challenges, not least with how the land owners who give over land for flood plains would be compensated. There would also be challenges around attracting the funding for these schemes as there is no real way of proving the efficacy of such measures.

19. Alongside the physical measures, the Environment Agency retains responsibility for monitoring rainfall and river levels in order to notify those at risk from flooding and send automated messages for those properties that have signed up to receive them.
20. When moving away from the rivers to the ordinary water courses, then the Internal Drainage Boards (IDBs) become the lead risk management body of which there are four in York.
21. These boards are funded by the land owners whose areas they cover by means of a charge per hectare. Again, their powers are permissive and they tend to focus on the effective drainage of land as this is their area of expertise and specialism.
22. The council retains responsibility for the management of surface water flood risk. The surface water management plan drives investigation and investment.
23. Ground or emergent water is also a risk but is not specific and as such, it would have to be investigated and dealt with as issues are identified. All local authorities deal with this issue in the same way.
24. Following the floods in 2007 the Pitt review, one of the recommendations was that a role of Local Lead Flood Authority was established and this would be fulfilled by the relevant local authority. This role would provide oversight, investigation and scrutiny in respect of all flood risk management in their area. In York this role is fulfilled by the Flood Risk Manager.
25. This oversight is achieved through close liaison with each of the agencies. The council is on the board of the IDBs, the regional flood and coastal committee and North Yorkshire Flood RM Partnership.
26. To further enhance the management of flood risk, one of the flood risk engineers is situated in development management. In essence, if a building cannot be built out of flood risk areas then they must ensure that flood mitigation measures are in place.

27. Finally, in the event that there is a flooding incident, the police take the lead on the emergency response with the other agencies.

Risk Management in projects

28. The new project framework requires the use of the Verto system for the management of significant projects. There had been some question around how consistency in risk reporting might be achieved.
29. The Risk Management Officer now has access to all projects in Verto for the purposes of risk oversight and in addition to ensure corporate visibility of the risks it has been agreed that there will be a regular export of the key risks which will then be input into the council's risk management system, Magique.

Options

30. Not applicable.

Council Plan 2015 - 2019

31. The effective consideration and management of risk within all of the council's business processes helps support achieving 'evidence based decision making' and aid the successful delivery of the three priorities.

Implications

- 32.
- (a) **Financial** - There are no implications
 - (b) **Human Resources (HR)** - There are no implications
 - (c) **Equalities** - There are no implications
 - (d) **Legal** - There are no implications
 - (e) **Crime and Disorder** - There are no implications
 - (f) **Information Technology (IT)** - There are no implications
 - (g) **Property** - There are no implications

Risk Management

33. In compliance with the council's Risk Management Strategy, there are no risks directly associated with the recommendations of this report. The activity resulting from this report will contribute to improving the council's internal control environment.

Recommendations

34. Audit and Governance Committee is asked to:
- (a) consider and comment on the refreshed key corporate risks which can be found in detail at Annex A;
 - (b) Note the relevant responsibility for the management of flood risk.

Reason

To provide assurance that the authority is effectively understanding and managing its key risks.

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Report ✓
Approved

Date 20.09.16.

Specialist Implications Officer(s) Not applicable

Wards Affected All

For further information please contact the author of the report

Annexes

Annex A – Refreshed Key Corporate risk register