

## **RISK MANAGEMENT FRAMEWORK ANNUAL REPORT**

<b>Head of Service/Contact:</b>	Gillian McTaggart, Head of Corporate Governance
<b>Urgent Decision?(yes/no)</b>	No
<b>If yes, reason urgent decision required:</b>	
<b>Annexes/Appendices (attached):</b>	<b>Annex 1</b> – Leadership Risk Register
<b>Other available papers (not attached):</b>	Report and Minutes of the meeting of the Audit, Crime & Disorder and Scrutiny Committee, 15 November 2016

### **Report summary**

**This report enables the Committee to meet its responsibilities for monitoring the development of the Council's risk management arrangements.**

### **Recommendation (s)**

**That the Committee:**

- (1) Considers the contents of the report and confirms that it is satisfied with the arrangements in place for risk management.**
- (2) Reviews the Leadership Risk Register and determines if there are any risks they wish to raise with the Leadership Team.**

### **1 Implications for the Council's Key Priorities, Service Plans and Sustainable Community Strategy**

- 1.1 Effective risk management is an integral part of ensuring that services are delivered.

### **2 Background**

- 2.1 In November 2012 the Scrutiny Committee accepted responsibility for monitoring and reviewing the Council's risk management arrangements. This Committee has since received an annual report on the Council's risk management framework.

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- 2.2 The function of the risk management framework is to provide a focus on good practice and to facilitate, guide and train. Many risks are timeless and are managed on a daily basis through internal controls and policies. The risk management framework covers both operational and strategic risks. It incorporates insurable risks, emergency planning and business continuity, health and safety risks, and the Council's risk registers.
- 2.3 The current Risk Management Strategy 2017-2021 was approved by this Committee in November 2016. The Strategy sets out the roles and responsibilities of both members and officers in the risk management process. Although all officers and members have a role to play, ultimate responsibility lies with the Leadership Team which is responsible for the effective implementation, monitoring and review of the Council's risk management arrangements. It is also responsible for identifying, owning and managing the key risks to the Council.

## **3 Risk Management**

- 3.1 Since last year's report, the Leadership Team has taken steps to further develop its oversight of health and safety risks. In June 2018 it agreed to the establishment of a Corporate Health & Safety Group with officer representation from across the Council. The overall aim of this group is to oversee the implementation of health and safety across the Council and to support the Leadership Team in meeting its strategic health and safety responsibilities.
- 3.2 Over the course of 2017/18, work has also been undertaken to ensure that the recommendations from the fire risk assessments completed in 2017, have been implemented with regular updates to the Leadership Team. The fire risk assessments were repeated in 2018 and there is an action plan in place to address the recommendations raised.
- 3.3 The London Borough of Sutton continue to manage the Council's insurable risks. The claims are regularly reviewed to identify patterns and there were no significant claims to highlight. The claim for the fire at Ewell Court House in 2013 was closed with the other party accepting responsibility and the full costs reclaimed. As a result the costs of this claim will be removed from our history of claims which would have affected future premiums.
- 3.4 Several training sessions were held on the Council's role in an emergency for both officers and Members. This includes a Members Briefing on our responsibilities and training to some Members on communication in a crisis.

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**4 Leadership Risk Register**

4.1 The Leadership Risks are the top ten strategic risks, these are refreshed twice yearly covering areas of major disruption, risks affecting the Borough and key policies. The Leadership Team reviewed the risks and they are now recorded in a priority order. The Leadership Risk Register is attached as **Annex 1** and is as follows:

<b>L1</b>	Continue delivering a balanced budget through the Medium Term Financial Strategy and the Income Generation and Enterprise Plan.	<b>High</b>
<b>L2</b>	Limited staffing resources in some areas affecting resilience and capacity in delivering the service delivery plan	<b>High</b>
<b>L3</b>	Delivering and implementing the Local Plan	<b>High</b>
<b>L4</b>	Lack of stability in IT systems, support and governance.	<b>High</b>
<b>L5</b>	The Council is at risk of being put in special measures for planning decisions	<b>High</b>
<b>L6</b>	Failure to implement improvements to data protection from GDPR resulting in possible data breaches	<b>Med</b>
<b>L7</b>	A lack of capacity and skills to deliver the commercialisation and enterprise agenda	<b>Med</b>
<b>L8</b>	Delivery of a viable project for the regeneration of the Wells	<b>Med</b>
<b>L9</b>	Monitoring the delivery of Plan E Project Plan by SCC.	<b>High</b>
<b>L10</b>	Impact of welfare reforms including the Homelessness Reduction Act	<b>Med</b>

**5 Service Risks**

5.1 The service risks are identified by the Heads of Service and are also reviewed by the Leadership Team. The service risk register has been enhanced to identify both the inherent risk level (without controls) and the mitigated risk which takes into account the control measures in place. There are currently 65 service risks and of those 5 were identified as high once the mitigation measures have been taken into account. These risks are monitored by the Leadership Team and are taken into account when compiling the Leadership Risk Register.

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**6 Financial and Manpower Implications**

6.1 There are no specific manpower implications for the purposes of this report.

6.2 **Chief Finance Officer's comments: None for the purposes of this report.**

**7 Legal Implications (including implications for matters relating to equality)**

7.1 There are no legal implications arising from the contents of this report.

7.2 **Monitoring Officer's comments: None arising from the contents of this report.**

**8 Sustainability Policy and Community Safety Implications**

8.1 There are no implications for community safety.

**9 Partnerships**

9.1 The Council works with the London Borough of Sutton to manage its insurable risks.

9.2 The Council is part of the Surrey Local Resilience Forum (SLRF) which is a multi-agency group made up of representatives from public services including the emergency services, NHS England and the Environment Agency.

**10 Risk Assessment**

10.1 Risk management is an integral part of delivering services to the Council particularly in improving strategic, operational and financial management. Specific risks are identified and recorded for projects and changes to key policies and key targets.

**11 Conclusion and Recommendations**

11.1 The Committee is asked to:

11.2 Consider the report and confirm they are satisfied with the arrangements in place.

11.3 Consider the Leadership Risk Register and comment on any issues raised.

**Ward(s) Affected:** (All Wards);