Legal and Democratic Services

EPSOM & EWELL
BOROUGH COUNCIL

To: All Members of the Audit, Crime & Disorder and Scrutiny Committee

Dear Councillor

AUDIT, CRIME & DISORDER AND SCRUTINY COMMITTEE - THURSDAY, 19TH NOVEMBER, 2020 , https://attendee.gotowebinar.com/register/4806809059918188813

Please find attached the following report(s) for the meeting of the Audit, Crime & Disorder and Scrutiny Committee to be held on Thursday, 19th November, 2020. These were not included in the original Agenda pack published previously.

1.   **RISK MANAGEMENT FRAMEWORK ANNUAL REPORT** (Pages 3 - 16)

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

For further information, please contact Democratic Services, democraticservices@epsom-ewell.gov.uk or 01372 732000

Yours sincerely

K. Belda

Chief Executive

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RISK MANAGEMENT FRAMEWORK ANNUAL REPORT

Head of Service:	Gillian McTaggart, Head of Policy, Performance & Governance
Wards affected:	(All Wards);
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	
Appendices (attached):	**Appendix 1** – Leadership Risk Register

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Summary

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

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Recommendation (s)

The Committee is asked to:

(1)   consider the arrangements in place for risk management as outlined in the report;

(2)   review the Leadership Risk Register and determine if there are any risks they wish to raise with the Leadership Team.

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1   Reason for Recommendation

1.1   This report updates the Committee on the arrangements for risk management and provides an update on the Leadership Risk Register which identifies the top risks being addressed by the Council.

1.2   The management of risk helps to deliver the Council's priorities and services. It also helps to anticipate risks and take proportionate steps.

1.3   During 2020, a key element in managing risks has been the Council's response to COVID-19 and the ongoing work on the recovery.

2   Background

2.1 This Committee has had responsibility for risk management since 2012 and receives an annual report on the Council's risk management framework.

2.2 The function of the risk management framework is to provide a focus of good practice and facilitate, guide and train. Many risks are timeless and managed on a daily basis through internal controls and policies.

2.3 The risk management framework covers both operational and strategic risks incorporating insurable risks, emergency planning and business continuity, health and safety and the Council's risk registers.

2.4 The current Risk Management Strategy 2017-2021 was approved by this Committee in November 2016. The strategy sets out the roles and responsibilities of Members and Officers. The Leadership Team is responsible for identifying, owning and managing key risks to the Council.

2.5 This report sets out the arrangements in place providing an update on strategic risks and providing assurance that risk management is embedded within governance arrangements. It enables the Committee to meet its responsibilities and to provide the Council with assurance on the adequacy of the arrangements in place.

3 Risk Management

3.1 The risk management arrangements can have a major impact on the achievement of priorities and delivery of services to the community. The impact of the COVID-19 Pandemic during 2020 has had a significant impact on the Council's arrangements.

3.2 Under the Civil Contingency Act, the Council is a Category One provider and has a number of duties in respect of emergency planning. The Council has in place a number of plans which are regularly tested and is a partner within the Surrey Local Resilience Forum which maintains the Community Risk Register. The Council also has a duty to maintain a list of all Vulnerable People within the Borough.

3.3 In February, the Leadership Team approved a Covid Pandemic Plan which was circulated to all staff to ensure the Council was prepared.

3.4 Surrey County Council and Surrey Fire & Rescue Service declared a major incident on 18 March and this triggered the Council to implement its Emergency Plan, setting up the Incident Management Team and Borough Emergency Command Centre. A number of cells were established; welfare cell, information cell and environment cell. In addition following the national lockdown and Shielding programme a Community Hub was set up to support the community and those deemed extremely clinically vulnerable.

3.5 These operated successfully until 31 July when the impact of the emergency reduced and we moved to a business as usual approach.

3.6 The major incident has not been stood down, however the nature of this enduring response has changed and will continue to change. The Covid rates within the Borough are monitored and with the introduction of the new local alert levels we have re-established the Pandemic Coordinating Group. This group is working to ensure the Council is prepared should it be placed into a new alert level and can respond as new guidance is introduced by central government.

3.7 A report will be brought to the next Committee on the lessons learnt from the emergency response.

3.8 There are also significant implications from the COVID-19 pandemic in managing the risks of health and safety. During 2018/2019 the Council's health and safety arrangements were strengthened to ensure compliance with the Health and Safety at Work Act. These have been further developed to support new health and safety guidance on working safely with coronavirus (COVID-19) and the Council has put in place measures to ensure community services could be returned and staff are kept safe.

3.9 On 10 May the Government altered advice stating that those who can work at home were urged to return, however all workplaces were required to legally assess the risks in returning.

3.10 An officer task and finish group was established to support this and ensure that there was a standardised and compliant approach. Staff have been consulted on the relevant risk assessments and Covid Secure documents and these are available on the intranet. Ongoing responsibility for updating the documentation and ensuring they comply with updates now sits with the relevant Head of Service. Monitoring compliance will be reported through the Corporate Health & Safety Group.

3.11 The London Borough of Sutton continues to manage the Council's insurable risks and cover properties, employees, and equipment and public liabilities. There are no significant issues to highlight in this report.

4   Leadership Risk Register

4.1 The Leadership Risk Register as outlined in Appendix 1 is reviewed regularly by the Leadership Team and was updated and reported to the Leadership Team in September. COVID-19 has amplified many of the risks facing the Council. The table below outlines the previous top ten risks and the updated risks.

4.1.1 Financial resilience was an existing risk but this has greater focus on the cost of COVID-19 and the loss of income streams. It also identifies a new area of financial risk in the loss of income from commercial tenants.

4.1.2 There are a number of new risks focusing on health & safety, changes to local government structures and the impact of the second wave or a local lockdown.

4.1.3 The risk rating takes into account the mitigation action in place and the Register will next be updated in April 2020.

	Top ten risks Nov 2019	Rating		Top ten risks Nov 2020	Rating
L1	Financial Pressures and the ability to deliver further savings.	**High**	L1	Financial impact of COVID and the Recovery will result in . loss of income. Loss of income from commercial tenants.	**High**
L2	Organisational Capacity - Resilience within the workforce and managing services	**High**	L2	Council Resilience and disruption to services	**High**
L3	Delivering and implementing the Local Plan and the 5 year land supply	**High**	L3	Delivering and implementing the Local Plan and the 5 year land supply	**High**
L4	Failure to deliver stability, substantial and complex changes and ensure systems and data are safe from any cyber security risks	**High**	L4	Organisational Capacity and failure to deliver the four year plan and Vision	**High**
L5	Failure to deliver quality major planning decisions consistently which could lead to designation	**High**	L5	Failure to provide adequate health and safety and COVID-Secure services	**Medium**
L6	Impact on residents, key partners & the Borough from Surrey County Council Transformation Agenda and pressure on Council's services	**High**	L6	Failure to deliver stability, substantial and complex changes and systems with supporting additional home working	**High**

L7	A lack of capacity and skills to deliver the commercialisation and enterprise agenda	Med	L7	Impact of proposed local government structural change by Surrey County Council	Medium
L8	Delivery of an asset management plan to ensure our assets support the achievement of the council's objectives and the services provided	Med	L8	Impact of a local lockdown of second wave	High
L9	Aligning business objectives with local plan growth	Med	L9	EU Transition or other externally driven events such as NHS winter pressures, and severe weather/flooding.	Medium
L10	Review of the arrangements for the Great Pond Reservoir	High	L10	Impact on economic growth within the Borough	High

4.2 The service risks have been captured as part of the annual governance statement.

5 Risk Assessment

Legal or other duties

5.1 Impact Assessment

5.1.1 The impact of the COVID-19 Pandemic and ongoing recovery has had a significant impact on the Council's risks.

5.2 Crime & Disorder

5.2.1 There are no crime and disorder implications arising from this report

5.3 Safeguarding

5.3.1 There are no safeguarding implications arising from this report.

5.4 Dependencies

5.4.1 The Council is a partner within the Surrey Local Resilience Forum. Ongoing work to manage and mitigate risks is impacted by local Alert level and rates on COVID-19.

6   Financial Implications

6.1   No specific implications

6.2   **Section 151 Officer's comments**: None arising from the contents of this report.

7   Legal Implications

7.1   The Civil Contingency Act 2004 and non-legislative measures delivers a single framework for civil protection in the UK.

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

8   Policies, Plans & Partnerships

8.1   **Council's Key Priorities**:

8.1.1   The risk management framework underpins the delivery of all key priorities.

8.2   **Service Plans**:

8.2.1   The work on the COVID-19 response and recovery was not included in the original Service Delivery Plan however it is reflected in the revised version for 2020/21.

8.3   **Climate & Environmental Impact of recommendations**:

8.3.1   No specific implications

8.4   **Sustainability Policy & Community Safety Implications**:

8.4.1   No specific implications

8.5   **Partnerships**:

8.5.1   The Council works in partnership with the London Borough of Sutton for the provision of insurance.

9   Background papers

9.1   The documents referred to in compiling this report are as follows:

Previous reports:

- Audit, Crime & Disorder and Scrutiny Committee 21 November 2019

Other papers:

- None

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LEADERSHIP RISK REGISTER

OWNER: LEADERSHIP TEAM

The Leadership Risk Register is the top 10 corporate risk. The Risk Evaluation Matrix provides guidance on scoring probability and impact. The residual risk are shown on the Summary Table below

Probability	1	2	3	4	5	
Almost Certain				L1		5
Probable				L3, L6	L2, L4	4
Possible		L9	L5, L7, L10	L8,		3
Unlikely						2
Rare						1
	Insignificant	Minor	Moderate	Major	Highly significant	Impact

LEADERSHIP RISK REGISTER   OWNER: LEADERSHIP TEAM

Ref	Description of Risk/ Opportunity	Rating	Risk Level	Mitigation in place	Accountable Officer & Accountable Group	Link to 4 Year Plan 2020-24	Residual Risk	Residual Rating	Direction of Travel
L1	Financial impact of COVID and the Recovery will result in loss of income	25	High	Budget monitoring Emergency or time critical spending only authorised New MTFS for future years New savings plan Outcome of the delayed Fair Funding Review Grant funding allocated to support businesses ,and organisational capacity	Chief Finance Officer	All priorities	20	High	Alter wording L1
	Loss of income from commercial tenants	25		Significant loss of income due to tenant going out of business	Property & Regeneration Board	Effective Council	12		
L2	Council Resilience and disruption to services	25	High	Revised and reduced service delivery plan for 2020/21 Priority risk assessed return of services under COVID-Secure.	Leadership Team	All Priorities	20	High	New

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LEADERSHIP RISK REGISTER   OWNER: LEADERSHIP TEAM

L3	Delivering and implementing the Local Plan and the 5 year land supply	25	High	Work programme updated and analysis of the Government's proposed changes to the calculation of the Objectively Assessed Housing Need (Govt determined housing target) and fundamental changes to the Local Plan process have been considered by the Licencing and Planning Policy Committee. These proposals will inform the process and timetable going forward.	Head of Planning	Underpinning all Corporate Priorities. Statutory requirement.	20	High	No change as L3
L4	Organisational Capacity and failure to deliver the four year plan and Vision	16	High	HR support to enable staff return to work Performance management of services Completion of People Framework Redeployment of staff where needed	Head of HR&OD, Chief Executive/ Chief Operating Officer	All priorities	12	High	Was L2
L5	Failure to provide adequate health and safety and COVID-Secure services	20	High	COVID-Secure Framework Corporate H&S	Chief Operating Officer	All priorities and a statutory requirement.	9	Medium	New
L6	Failure to deliver stability, substantial and complex changes and systems with supporting additional home working	25	High	ICT Road Map and Priority actions Ongoing work on Disaster recovery and business continuity	Head of D &ST	Effective Council	16	High	Was L4

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LEADERSHIP RISK REGISTER   OWNER: LEADERSHIP TEAM

L7	Impact of proposed local government structural change by Surrey County Council	16	High	Work with other Districts and Boroughs on alternative proposals including enhanced two tier working	Chief Executive and Leadership Team	All priorities	9	Med	New
L8	Impact of a local lockdown of second wave	25	High	COVID-19 Plan updated to reflect potential local lockdown or second wave impact Resources identified Planned approach to respond and coordinate with stand up plans in development	Head of PPG	All Priorities	12	High	New
L9	EU Transition or other externally driven events such as NHS winter pressures, and severe weather/flooding.	16	High	Work with SLRF on transition plan and on-going work to support businesses Winter pressures will be planned for in Operation Tarragon Winter Response 2020/21 Plan including mass vaccinations, seasonal flu, NHS pressures, flooding, severe weather and EU Exit	Leadership Team Pandemic Co-ordinating group	Effective Council & Safe & Well	6	Medium	New
L10	Impact on economic growth within the Borough	20	High	Economic Recovery Action Plan and High Street Action Plan Business Support to prioritise on key areas	Economic Dev / Chief Operating Officer / Chief Executive	All priorities	12	High	New

LEADERSHIP RISK REGISTER   OWNER: LEADERSHIP TEAM

Defined Strategic Risk Levels Risk Evaluation Matrix

The tables below give guidance on assessing risks on a scale of 1 to 5 in terms of their probability and their impact. These give broad range of risks to provide consistency across all risk registers. However you may have additional criteria that you want to consider in assessing a risk. The risks is scored without taking into consideration of the score in place - "**a natural or inherent risk**" and then scored taking into account the control measures or mitigation measures in place these are referred to as the, "Residual Risks"

Probability Score	1	2	3	4	5
Description	Rare	Unlikely	Possible	Probable	Almost Certain
Frequency	This will probably never happen or occur	Not expected to happen/occur	Might happen or occur occasionally	Will probably happen/ occur but it is not a persisting issue	Will undoubtedly happen/ occur , possibly frequently
Likelihood	Less than 5% chance	Around 10% chance	Around 25% chance	Around 60% chance	Around 90% chance

Impact Score	1	2	3	4	5
Descriptor	Insignificant	Minor	Moderate	Major	Highly significant
Employees	No impact on staff or service delivery	Short term low staffing Temporary reduction in service No impact on staff morale	Medium term staffing issues Loss of experienced staff to deliver services Minor staff dissatisfaction	Late delivery of key services Lack of experienced staff Low morale	Non delivery of key objectives High impact on services Very low morale
Finance	Minimal financial implication Below £25,000	Budget pressures < £25 k to £100k	Budget pressures between £100,000 and £200,000	Budget risk £200k to £500k Loss of income	Significant loss of income more than 10% budget

LEADERSHIP RISK REGISTER   OWNER: LEADERSHIP TEAM

					Not covered by insurance Budget risk over £500,000
Statutory duties/Legislation	Minimal or no impact	Minor breach Reduced rating if unresolved	Single breach if statutory duty Challenging external recommendations	Several breaches Enforcement action or improvement notices Critical report Low performance rating	Multiple breaches Prosecution for Judicial Review Service collapse
Projects/ Programmes	Little/no slippage no threat to outcomes	Some minor issues with the project	Some risk to the delivery of the project but actions to mitigate	Major impact on delivery/timeframe/ costs	Serious threat to the delivery of the project
Health & Safety- impact on the safety and well-being of the public and staff	No ill effects	Short lived/minor injury or illness that may require first aid assistance Small number of work days lost	Moderate injury/ill effects requiring hospitalisation. Risk of prosecution from enforcement agencies	Single fatality and or long term illness or multipole serious injuries RIDDOR reporting?	Multiple and /or multiple incidences or permanent disability or ill health.

The above is not prescriptive criteria, but a guidance tool for management.

Assurance levels of the controls scored 1 to 5

Strength of controls is scored on a scale of 1 (low) to 5 (high) to identify what is in place to mitigate the risks including controls, processes, action plans and targets.

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