

RISK MANAGEMENT FRAMEWORK ANNUAL REPORT

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Annexes/Appendices (attached): **Annex 1** – Leadership Risk Register

Other available papers (not attached):

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.
- 2.3 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.
- 2.4 The current Risk Management Strategy 2017-2021 was approved by this Committee in November 2016. The Strategy sets out the roles and responsibilities of 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.
- 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 to provide the Council with assurance to the adequacy of the risks management arrangements

3 Risk Management

- 3.1 The Council's arrangements for managing risks can have a major impact on the achievement of meeting its priorities and delivering services to the community. There are a number of arrangements in place to manage these risks and it is recognised that this is an evolving process with areas where implementation is ongoing to improve and develop best practice
- 3.2 During 2018/2019, the Corporate Health & Safety arrangements continue to be strengthened. A new Corporate Health & Safety Policy was agreed by the Strategy & Resources Committee in April 2019 and all other policies, guidance and risk assessments are being updated as part of a framework. A matrix of training needs is being developed to identify the health and safety requirements for each post.
- 3.3 All recommendations from the fire risk assessments have been implemented and the Projects Team have received further training on the completion of fire risk assessments. The water risk assessments have also been updated and a programme is in place to action these recommendations
- 3.4 The London Borough of Sutton continue to manage the Council's insurable risks. The claims are regularly reviewed to identify patterns and there are no significant claims to highlight.

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- 3.5 In January 2019, the Council held a Borough Emergency Control Centre exercise to test arrangements. Officers have participated in a number of external training including Multi-Agency Gold Incident Command training with colleagues from the Police, NHS and other local authorities. We are currently co-ordinating with the Surrey Local Resilience Forum for preparations for leaving the EU.

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. These generally relate to strategic issues although some specific areas may be included.
- 4.2 The Leadership Risk Register is attached as **Annex 1** and is as follows:

L1	Financial Pressures and the ability to delivery further savings	High
L2	Organisational Capacity - Resilience within the workforce and managing services	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
L5	Failure to deliver quality major planning decisions consistently which could lead to designation	Med
L6	Impact on residents, key partners & the Borough from the Surrey County Council Transformation Agenda and pressure on Council's services	High
L7	A lack of capacity and skills to deliver the commercialisation and enterprise agenda	Med
L8	Delivery of an asset management plan to ensure our assets support the achievement of the Council's objectives and the services provided	Med
L9	Aligning business objectives with local plan growth	Med
L10	Review of the arrangements for the Great Pond Reservoir	High

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- 1.3 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 58 service risks, a reduction from 65 in 2018 and of those 8 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.

5 Financial and Manpower Implications

- 5.1 There are no specific manpower implications for the purposes of this report.
- 5.2 **Chief Finance Officer's comments:** none for the purposes of this report.

6 Legal Implications (including implications for matters relating to equality)

- 6.1 None for the purposes of this report.
- 6.2 **Monitoring Officer's comments:** none arising from the contents of this report.

7 Sustainability Policy and Community Safety Implications

- 7.1 None for the purposes of this report.

8 Partnerships

- 8.1 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.
- 8.2 The Council works with the London Borough of Sutton to manage its insurable risks.

9 Risk Assessment

- 9.1 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.

10 Conclusion and Recommendations

- 10.1 The Committee is asked to:
- 10.1.1 Consider the report and confirm they are satisfied with the arrangements in place.

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

Ward(s) Affected: (All Wards);