AUDIT, CRIME & DISORDER AND SCRUTINY COMMITTEE
23 NOVEMBER 2017

RISK MANAGEMENT FRAMEWORK ANNUAL REPORT

Report of the:	Head of Corporate Governance
Contact:	Gillian McTaggart
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	
Annexes/Appendices (attached):	**Annexe 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.

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

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

2   Background

2.1   This Committee receives an annual report on the Council's risk management framework. The role 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.

2.2 This Committee approved the Risk Management Strategy at its meeting of the 15 November 2016 which clarifies the integrated approach and the roles and responsibilities for risk management.

2.3 The risk management framework continues to be embedded within the Council and the Leadership Team (consisting of the Chief Executive and Heads of Service) continue to receive the Leadership Risk Register and the Service Risk Registers. The Leadership Team now receive quarterly health &safety reports. The Heads of Service and key officers receive regular training on business continuity, emergency planning and major incidents.

3 Risk Management

3.1 Since the tragic recent events of Grenfell Tower and terrorist attacks, the Council has been reviewing its arrangements for handling business continuity, emergency planning and major incidents. The Council is a Category 1 provider with responsibility under the Civil Contingency Act to be prepared for an emergency. As such we must maintain a number of plans and have regard to internal and external risks when developing business continuity plans. An exercise around a major incident was held in July involving both the Leadership Team and a number of key officers and a post implementation review was reported to the Leadership Team. Further awareness training is being held in November through the One Team meetings for all staff, to ensure more staff are trained and aware of the plans in place.

3.2 The Council are part of the Surrey Local Resilience Forum and participates in training and events to ensure that we can provide assurance on our arrangements.

3.3 To reduce risks the Council have reviewed and updated all fire risk assessments and action will be taken to address any gaps identified. These will be reviewed in January 2018 to ensure all actions are implemented. Internal training was held to ensure all Fire Wardens were up to date with procedures.

3.4 The London Borough of Sutton (who manage the Council's insurable risks) and ourselves received an award from the Association of Local Authority Risk Managers (ALARM) for partnership working. This related to work we have undertaken to reduce the insurance cost of tree claims by having a unified approach and implementing a risk based methodology.

3.5 Our risk management arrangements were last audited in February 2017 and given reasonable assurance.

4   Leadership Risk Register

4.1   The Leadership Risks are essentially the top ten risks at senior leadership level. These risks are refreshed at least twice yearly. The Leadership Risks cover both risks that effect the Borough (such as a major disruption) and internal risks. The Leadership Risk Register is attached as **Annexe 1**. It was last reviewed by the by the Leadership Team in October.   The Top Ten Leadership Risks are as follows:-

L1	Continue delivering further efficiency savings through the efficiency plan, income generation plan and manage changes to funding for SCC services	**High**
L2	Lack of an appropriate Pay and Performance structure	**Medium**
L3	Develop commercialisation to transform the organisation	**High**
L4	IT stability, systems and support, and governance structure to deliver IT agenda and managing the split of the shared service.	**High**
L5	Compliance with the new GDPR by May 2018 and IG legislation and best practice.	**High**
L6	Managing the debt from external borrowing to fund property acquisitions and manage any risks to the Council	**High**
L7	Delivering and implementing the Local Plan	**High**
L8	Monitoring the Plan E Project Plan.	**High**
L9	Quality of decision making in planning putting the Council at risk of special measures by the DCLG	**High**
L10	Impact of welfare reforms including the homeless reduction act.	**Medium**

5   Service risks

5.1   The service risks, identified by the Heads of Service for each of their areas were also reviewed by the Leadership Team in October. Of the 57 risks, 25 were identified as high risks. Any significant risks (particularly those affecting several areas such as staff or IT issues) were escalated into the Leadership Risk Register.

6   Financial and Manpower Implications

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

6.2   **Chief Finance Officer's comments:** Effective risk management is an integral part of ensuring that services are delivered, and the Council's Risk Management Strategy provides Members with an understanding of key risks and issues of concern and the actions proposed to mitigate risk, including financial risks to the Council.

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

7.1   The Council has a duty under the Civil Contingency Act 2004 as a category 1 provider. Therefore we have a responsibility to plan and maintain plans to react in an emergency situation and have regard to both internal and external risks.   The Council maintain a number of plans including an integrated emergency plan, rest centre plans, corporate business continuity plan, specific service business continuity plans and is part of the Major Incident Protocol produced by Surrey County Council.

7.2   **Monitoring Officer's comments:** It is an important part of our governance arrangements that members understand and oversee the risks faced by the Council and raise any issues of concern.

8   Sustainability Policy and Community Safety Implications

8.1   There are no community safety implications.

9   Partnerships

9.1   The Council works with the London Borough of Sutton to manage our insurable risk and improve operational risks.

9.2   The Council as part of the Surrey Local Resilience Forum which is a multi-agency made up of representatives from public services including emergency services, local authorities, 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 such as the establishment of a local authority trading company.

11   Conclusion and Recommendations

The Committee is asked to:

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

11.2   Consider the leadership risks and comment on any issues raised.

WARD(S) AFFECTED: (All Wards);