

Report to the Finance Performance Management Cabinet Committee



**Epping Forest
District Council**

Report reference: ***FPM-019-2018/19***

Date of meeting: ***24 January 2019***

Portfolio: **Business Support Services**

Subject: **Risk Management – Corporate Risk Register**

Responsible Officer: **Edward Higgins (01992 564606).**

Democratic Services: **Rebecca Perrin (01992 564532).**

Recommendations/Decisions Required:

- (1) To note the updated Risk Owners;**
- (2) To agree the updated risk Vulnerability, Trigger, Consequence, Effectiveness of Controls/Actions and Required Further Management Action for Risk 1;**
- (3) To agree the updated Effectiveness of Controls/Actions and Required Further Management Action for Risk 2;**
- (4) To agree the updated Required Further Management Action and Critical Success Factors and Measures for Risk 3;**
- (5) To agree the updated Vulnerability and Trigger for Risk 4;**
- (6) To Agree the updated Effectiveness of Controls/Actions and Required Further Management Action for Risk 5;**
- (7) To agree the updated Effectiveness of Controls/Actions for Risk 7;**
- (8) To agree the updated Required Further Management Action for Risk 9;**
- (9) To agree the updated Effectiveness of Controls/Actions and Critical Success Factors and Measures for Risk 10;**
- (10) To agree the updated Existing Control/Actions, Effectiveness of Control/Actions and Required Further Management Action for Risk 11.**
- (11) To Agree the updated Effectiveness of Controls/Actions for Risk 12;**
- (12) To consider whether there are any new risks that are not on the current Corporate Risk Register;**
- (13) To agree that the amended Corporate Risk Register be recommended to Cabinet for approval; and**
- (14) To note the necessary review of the Corporate Risk Strategy and**

Executive Summary:

The Corporate Risk Register was considered by the Risk Management Group on 17 December 2018 and Leadership Team on 19 December 2018. The reviews identified updates for the current risks. No new risks were identified. Both groups agreed the need for a review of Council's Risk Management Strategy.

Reasons for Proposed Decision:

It is essential that the Corporate Risk Register is regularly reviewed and kept up to date.

Other Options for Action:

Members may suggest new risks for inclusion or changes to the scoring of existing risks.

Report:

1. The Corporate Risk Register was reviewed by the Risk Management Group on 17 December 2018 and by Leadership Team on 19 December 2018. Amendments have been identified and incorporated into the register (Appendix 1) (New wording incorporated into the Register has been italicised).
2. Risk Owners – The below table advises the updated Risk Owners.

Risk No.	Risk Name	Former Risk Owner	New Risk Owner
3	Welfare Reform	Alan Hall	Rob Pavey
6	Data/Information	Simon Hill	Rob Pavey
9	Safeguarding	Alan Hall	Julie Chandler
10	Housing Capital Finance	Alan Hall	Paul Pledger
12	Waste Management	Derek Macnab	Qasim Durrani

3. Risk 1 Local Plan – Following the failure of the claimants application to appeal the High Court decision, which dismissed the claim for judicial review, the Council has submitted the Local Plan to the Secretary of State. The risk Vulnerability, Trigger and Consequence have been extensively re-written and are best seen within the Register. The risk Consequence for not achieving an adopted plan remains an increased annual requirement of 923 homes, rather than the 518 set by the Council. The increase would result in vulnerability to planning appeal decisions and potential development in the Green Belt, as the presumption in favour of sustainable development will apply.
4. The Effectiveness of Controls/Actions and Required further management action relating to Epping Forest Special Area of Conservation (SAC) have also been updated.
5. Risk 2 Strategic Sites – Effectiveness of Controls/Actions and Required Further Management Actions have been updated. The Landmark site, Cabinet agreed supplementary Capital Expenditure of £140k to undertake separation and other service works, when completed the units will be re-marketed. The St John's site will be developed by the Council and Epping Town Council, with the decision for the site to include the re-located Epping Sport Centre. The site requires a development appraisal. The sale of Pyrles Lane Nursery was agreed in October 2018, with completion expected by end of the financial year. Nursery Services are to re-locate to Town Mead.
6. Risk 3 Welfare Reform – The updated Required Further Management Action describes

the need for an action plan to be developed by the end of 2019/20 which will baseline the effects of Universal Credit for implementation in 2020/21. The resulting Critical Success Factor and Measure is the need to identify the impact of Universal Credit on all services and develop the necessary mitigating actions.

7. Risk 4 Finance Income – The risk Vulnerability has been updated to reflect increasing dependence on locally generated income. Little information is available relating to funding from 2020/21. The increasing possibility of a no deal Brexit could cause challenging trading conditions for businesses, which could impact a number of the Council's income sources including commercial rentals and business rates. The changes in economic conditions are also reflected in the updated risk Trigger.
8. Risk 5 Economic Development – The Existing controls/actions to address the risk has been updated to advise that the Economic Development Plan has been drafted and presented to the Economic Development Board. The resulting Required Further Management Action is the need for an Economic Development Implementation Plan.
9. Risk 7 Business Continuity – To note the updated Effectiveness of controls/actions which advises that an audit of Business Continuity arrangements has commenced.
10. Risk 9 Safeguarding – The Required Further Management Action has been updated to advise that training records are to be held and maintained by the People Team on the iTrent system when it is fully operational.
11. Risk 10 Housing Capital Finance –The Critical Success Factor and Measures has been amended to advise that any impact from Central Government policy changes must be minimised as far as possible.
12. Risk 11 Transformation Programme – The Existing Controls/Actions to address risk has been updated to advise that Leadership Team considers Transformation issues at their weekly meetings. The effectiveness of these controls has also been updated, advising the People Strategy is at L2 Service Manager Implementation Stage; the People Strategy was considered by Overview & Scrutiny in December and that Cabinet agreed the revised Accommodation Strategy on 10 December 2018. The required further management actions are that Leadership Team and Transformation Programme Board continue to monitor projects and ensure adequate human and financial resources are available; a Task & Finish Panel is to be established to cover Performance Monitoring.
13. Risk 12 Waste Management – The Effectiveness of controls/actions has been updated to advise that the Recycling Index Unit Rate (RIUR) will continue to be monitored due to the volatility of sale prices for recycling materials
14. The recent changes to the Council's structure has resulted in a need to review the Council's Risk Management Strategy (Appendix 2). It is felt that the methodology and potential use of Pentana as a system for recording and presenting risks also be explored. The target date for the completion of the review is September 2019.
15. Members are now asked to consider the attached updated Corporate Risk Register and whether the risks listed are scored appropriately and whether there are any additional risks that should be included.

Resource Implications:

No additional Resource requirements

Legal and Governance Implications:

The Corporate Risk Register is an important part of the Council's overall governance arrangements and that is why this Committee considers it on a regular basis.

Safer, Cleaner and Greener Implications:

None

Consultation Undertaken:

The Risk Management Group and management Board we involved in the process.

Background Papers:

None

Risk Management:

If the Corporate Risk Register was not regularly reviewed and updated a risk that threatened the achievement of corporate objectives might either not be managed or be managed inappropriately.

Equality Analysis:

The Equality Act 2010 requires that the Public Sector Equality Duty is actively applied in decision-making. This means that the equality information provided to accompany this report is essential reading for all members involved in the consideration of this report. The equality information is provided as an appendix to the report.