

Report to the Audit and Governance Committee



**Epping Forest
District Council**

Report reference:

**Date of meeting: 29 September
2022**

Portfolio: Leader of the Council

Subject: Risk Management

Responsible Officer: Andrew Small (01992 564278)

Democratic Services: Laura Kirman (01992 564243)

Recommendations/Decisions Required:

- (1) **To review the current risk register and consider whether there are any new or emerging risks that are not on the current Corporate Risk Register that should be referred to the officer Risk Management Group**

Executive Summary:

This report gives the Audit and Governance Committee the opportunity to comment on and suggest new risks for inclusion on the Corporate Risk Register or changes to the scoring of existing risks.

Reasons for Proposed Decision:

To enhance the Council's risk management framework.

Other Options for Action:

None. Formal responsibility for making recommendations to Cabinet on risk management issues lies with the Audit and Governance Committee. Members may suggest new risks for inclusion or changes to the scoring of existing risks.

Report:

Corporate Risk Register

1. The corporate risk register was considered by the Council's Officer Risk Management Group at their meeting of 31 August 2022 where all risks were reviewed and challenged.
2. The Council is closely monitoring risk 2 (Increase in demand for financial and housing assistance) and risk 3 (Financial Resilience) although concluded that no change to the risk scores is required at this stage.
3. Emerging risks discussed include:
 - Energy costs – it was felt this is adequately wrapped up in the finance risk.
 - Homelessness – already considered as part of the Increase in demand for financial and

housing assistance risk.

- Health & Safety: compliance and consumer regulations – a meeting has been arranged to discuss the potential impact of this and present to the next Risk Management Group meeting.
- Ability to proceed with corporate plan items (e.g. Council housebuilding/ leisure centre) – to be picked up as part of the governance process through the Project Management Office (PMO).
- Potential rent cap: this will have a significant impact on the HRA (Housing Revenue Account) – the Council will be well sighted on this risk.

4. Waste Management has been added to the risk register.
5. The risk register was subsequently presented to the Corporate Governance Group (which is Chaired by the Section 151 Officer) for further review and challenge. The narrative for each risk has been reviewed and, where appropriate, updated to reflect the current situation (appendix 1).
6. The table below outlines the direction of travel for each risk since it was updated for the June 2022 Audit and Governance Committee, with a brief commentary supporting each risk.

No	Risk	Residual risk rating (i.e. after controls)		Commentary
		June 2022	September 2022	
1	Local Plan	B1	B1	The new Inspector sent a Schedule of action changes in June 2022, and initial officer responses were returned in August 2022. Awaiting their response before submitting a final Council response on actions. Upon agreement of a new schedule of Main Modifications, they will be published for a 6-week consultation, which is anticipated to be end of Sept/ early Oct 2022.
2	Increase in demand for financial and housing assistance (previously Welfare Reform)	B2	B2	Continuing to provide a range of mitigating measures although this risk is largely out of the Council's control. Subject to ongoing close monitoring.
3	Financial Resilience	B1	B1	Balanced budget set for 2022/23. Increasing pressures on finances means the Council needs to urgently implement mitigating strategies to control net expenditure within budget in 2022/23 and currently developing a balanced budget for 2023/24.

No	Risk	Residual risk rating (i.e. after controls)		Commentary
		June 2022	September 2022	
4	Economic Development	C2	C2	Significant work has already been undertaken to deliver town centre action plans, although work has now been scaled back. Additional investment is being sought via the Districts Shared Prosperity Fund bid.
5	Data/information	C2	C2	Work continues with the Information Asset Owner Group to embed understanding of the importance of information governance across the authority.
6	Business continuity (BC)	C2	C2	A Business Impact Analysis tool has been adapted for Council use and is being implemented with service managers. The Corporate BC Plan is due to be reviewed by the end of October 2022.
7	Cyber security	C2	C2	Continually monitoring situation and potential risks. Controls in systems have been strengthened in response to specific occurrences.
8	Delays in issuing Planning Permissions	C2	C2	Planning applications continue to be reviewed and released as appropriate. Development Management have employed a senior planning officer to specifically clear the backlog
9	Climate emergency	B2	B2	The Climate Action Plan approved in April 2022. Currently under review to identify what is Business as Usual and what are priority actions. Findings will be reported back to the PMO Steering Group. Climate work to be scoped and mapped.
10	Waste Management	n/a	B2	New risk added to reflect the inability to provide waste collection services as specified in Contract or to agree a Waste Contract Extension.

- Members are asked to consider the attached updated Corporate Risk Register (Appendix 1) and whether the risks listed are scored appropriately and whether there are any additional risks that should be included. Appendix 2 sets out Council's risk assessment matrix and is used to determine individual risk scorings.

Resource Implications:

Within the report

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 Leadership Team were involved in the process.

Background Papers:

CIPFA audit committees – practical guidance for Local Authorities and Police 2018 edition

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. In addition, new or emerging risks are not considering which could threaten achievement of the Council's corporate objectives.

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 appendix 3 to the report.