

Report to: Audit and Governance Committee



Date of Meeting 16 March 2022

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A

Full risk review November / December 2021

Report summary:

Risk information for the 2021-22 financial year is supplied to allow the Audit and Governance Committee to monitor the risk status of Strategic and Operational Risks. This follows the full review of risks by responsible officers during November / December 2021.

Is the proposed decision in accordance with:

Budget Yes No

Policy Framework Yes No

Recommendation:

That the Audit and Governance Committee considers the current status of risks following the full risk review undertaken in November / December 2021

Reason for recommendation:

To ensure that the Risk Management Policy and Guidance is being followed and all risks are being monitored and control actions implemented.

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Portfolio(s) (check which apply):

- Climate Action and Emergency Response
- Coast, Country and Environment
- Council and Corporate Co-ordination
- Democracy, Transparency and Communications
- Economy and Assets
- Finance
- Strategic Planning
- Sustainable Homes and Communities
- Tourism, Sports, Leisure and Culture

Equalities impact Low Impact

Climate change Low Impact

Risk: High Risk; Failure to identify, assess, monitor, review and manage risks could impact negatively (i.e. financial, reputational, operationally) on the council.

Links to background information [Appendix A – Full list of Operational Risks November / December 2021](#)

[Appendix B – Strategic Risks November / December 2021](#)

[Appendix C – Explanations and definitions](#)

Link to [Council Plan](#)

Priorities (check which apply)

- Better homes and communities for all
 - A greener East Devon
 - A resilient economy
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Report in full

1. As part of our corporate governance it is appropriate that we maintain and manage a risk register. The risk register allows us to highlight any risks to our organisation and set out how we are going to mitigate against their impact and likelihood.
2. Our risk management policy requires all risks identified by the council to be reviewed bi-annually. Through the month of November the risk owners were tasked with reviewing their risks in the SPAR system. The complete operational risk register is provided for the Committee to review at [Appendix A](#). This is listed by service area and includes all of the control actions. There are now 84 operational risks, all of which have been reviewed and re-scored in light of all mitigating actions being undertaken and in relation to the on-going pandemic. All services were asked to highlight any new and emerging risks with no new risks being put forward at this review
3. In the operational risk register there are two risks currently scored as high.
 - **Failure of LED Leisure through budget, legal, or reputational issues**

LED income and activities were severely impacted by the Covid-19 pandemic and the associated lockdowns/restrictions. LED had been reliant on furlough payments and the Council increasing its subsidy to remain viable, and the Council has attempted to recover its costs through government support for the leisure industry. Revised monitoring and liaison arrangements have been put in place going forward to focus on leisure needs, and clear strategy and affordability.
 - **Failure of the contractors to deliver the service through pandemic staff shortages, strike action, company liquidation, legal prohibitions and/or other similar circumstances that render this contractor unable to continue with the contract.** With the high tonnages being collected at kerbside and property growth in the district, more pressure is being put on our Suez collection crews.

On top of this Covid isolations, non-deployments of rounds often on Thurs and Fri, with Sat catch ups and issues of staff and driver shortages since March have all meant the service has struggled this year. We anticipate we might experience these issues for most of 2022. The Omnicrom variant is staring to impact with a recent spate of Covid isolations. Suez are working on a bridging solution paper for property growth and recycling tonnage increase and required resources. We have an Extraordinary Board meeting 8 December to discuss and in due course will bring forward a report to Cabinet/Council. The estimate from Suez is currently around £1mil.

4. The tables below set out the number of risks in each service by score.

Finance	High	Medium	Low
<i>Risks by score</i>		4	8

Economy & Planning	High	Medium	Low
<i>Risks by score</i>		9	5

Housing	High	Medium	Low
<i>Risks by score</i>		15	3

Environment	High	Medium	Low
<i>Risks by score</i>	2	8	5

Governance & Licensing	High	Medium	Low
<i>Risks by score</i>		9	5

Communications & HR	High	Medium	Low
<i>Risks by score</i>		3	8

5. As part of this review our strategic risks have also been reviewed by their owners and are now submitted for Committee's consideration.

There are 10 risks on the strategic register, more details for each risk can be seen in [Appendix B](#).

List of strategic risks

- Adequacy of financial resource planning to deliver the Council's priorities
- Adequate emergency planning and business continuity
- Climate change targets not achieved
- Delivery of Growth Point
- Failure to adequately protect staff health and safety at work
- Failure to ensure that our corporate property portfolio is fully compliant with legal requirements.
- Failure to ensure the Council's sustainability
- Increased homelessness
- Major disruption in continuity of computer and telecommunications services
- Retaining and strengthen a collective approach to decision making to ensure we avoid poor decision making effecting our performance and our reputation

Strategic Risks	High	Medium	Low
<i>Risks by score</i>	0	10	0

6. An explanation and definitions of these risks including the risk matrix can be found in [Appendix C](#).

Financial implications:

No direct financial implications

Legal implications:

There are no direct legal implications