

Report to: Audit and Governance Committee



Date of Meeting 23 March 2023

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A

Risk Review Autumn / Winter 2022/23

Report summary:

Risk information for the 2022/23 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 December and January. Most of these reviews were completed by the responsible officers with the Management Information Officer.

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 December and January.

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.

Officer: Simon Davey, Strategic Lead - Finance sdavey@eastdevon.gov.uk ext 2690

Joanne Avery, Management Information Officer javery@eastdevon.gov.uk ext 2332

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 – Operational Risk register winter 2022/23](#)
[Appendix B – Strategic Risks winter 2022/23](#) [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

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 months of May and June the risk owners were tasked with reviewing their risks in the SPAR system. For this review, the Management Information Officer meet with several of the risk owners to review the risk entries together. This was a really useful exercise and has resulted a several changes and updates to the risk register.
3. The operational risk register contains 79 risks which have all been reviewed and are available to view in full at [Appendix A](#). The operational risk register is listed by service area and includes all of the control actions. All of the risks have been reviewed and re-scored in light of all mitigating actions being undertaken and in relation to the on-going pandemic. The services were asked to highlight any new and emerging risks with one new risk being put forward at this review.
4. There are no new operational risks following this review but there is one recommended for removal -
Implement programme of upgrading sheltered housing and making 'fit for purpose'. – Recommend that this risk is archived as the sheltered housing improvements are being captured as part of the stock condition survey.
5. In the operational risk register there are five 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. Recovery is slow, compounded with the cost of living crisis and higher utility costs. Revised monitoring and liaison arrangements have been put in place going forward to focus on leisure needs, implementing the Leisure Strategy and affordability. The Leisure Strategy also recognises the value and importance of leisure for health & wellbeing. Some challenging financial viability decisions will need to be made going forward.

Failure of performance under the Partnering Agreement by our responsive repair contractor leading to an inability to perform day to day repairs to tenant's homes. -

Additional consultancy support has been sought to provide additional support and input working closely with the property and asset manager. Overview of current position reported to the

housing review board in January 2023. Work and focus remains on this area. Wider tenant satisfaction survey going out to all tenants during Feb 2023 results will better inform the position on tenant satisfaction.

Failure to maintain gas safety, fire risk, asbestos register, solid fuel servicing, and legionella testing to meet legal requirements. - Additional dashboard monitoring now in place that sits across all areas of housing compliance. This is monitored by the housing leadership team monthly and going forward will periodically report into SMT+.

Securing resources in this area continues to be a challenge but we are starting to see some positive impact following the reward review.

Failure to maintain a 5 year housing land supply. - The latest annual housing monitoring report shows that we no longer have a 5 year housing land supply as a result of the local plan being out of date and insufficient sites coming forward as well as an increase in the annual requirement under the government’s standard method calculator.

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. - Work has begun on analysis of future delivery and changes under Environment Act (DRS, EPS and consistency) along with contract renewal in 2026. Reports taken to Board.

There are more details on these risks in [appendix A](#).

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

Finance	High	Medium	Low
<i>Risks by score</i>		4	11

Housing	High	Medium	Low
<i>Risks by score</i>	2	14	1

Growth & Development	High	Medium	Low
<i>Risks by score</i>	1	10	1

Health & Environment	High	Medium	Low
<i>Risks by score</i>	2	7	5

Governance & Licensing	High	Medium	Low
<i>Risks by score</i>		6	4

HR & Communications	High	Medium	Low
<i>Risks by score</i>		2	9

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

There are 17 risks on the strategic register none of these risks are currently showing as high risk. More details for each risk can be seen in [Appendix B](#).

Strategic Risks	High	Medium	Low
<i>Risks by score</i>	0	14	3

There are three new risks on the strategic risk register.

- Risk of Service failure increased due to concerns around capacity and competence with gaps in staffing and difficulty in recruitment, combined with increase in demand leading to juggling of priorities and crisis management. Owner – John Golding
- Due to the impact of the current economic situation and the resulting cost of living issues there is a risk that we will be unable to meet the demands on our service from

our residents for and for their ability to pay council tax and housing rents. Owner - Mark Williams

- Implementation of the Elections Act 2022 at the next elections to be held in May 2023, may cause delays and impact of the efficient running of the elections process. Owner - Mark Williams

8. An explanation and definitions of all the 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