

Report to: Audit and Governance Committee



Date of Meeting 27 July 2023

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A

Risk Review Summer 2023

Report summary:

Risk information for the 2023/24 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 May/June 2023. 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 May/June 2023.

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 – Operational risks low and medium 2023](#)

[Appendix B – Operational risks high 2023](#)

[Appendix C - Strategic Risk Register full 2023](#)

[Appendix D – 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 81 risks which have all been reviewed. 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 no new operational risks being put forward at this review. [Appendix A](#) provides all of the low and medium scoring operational risks.
4. In the operational risk register there are four risks currently scored as high, see [Appendix B – Operational risks high](#).
 - **Failure of performance under the Partnering Agreement by our responsive repair contractor leading to an inability to perform day to day repairs to tenants' homes.** - Work remains ongoing in this area Housing Review Board were given a comprehensive update at the June board. Results from the tenants' survey have indicated concerns with tenant satisfaction with repairs and maintenance. Work remains ongoing on this with regular updates to the Housing Review Board.
 - **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. Issues have arisen in relation to electrical safety Social Housing Regulator has been informed and is satisfied with actions being taken, weekly monitoring is in place with Assistant Director of Housing and the operational team to ensure we come back to full compliance urgently.
 - **Failure to maintain a 5 year housing land supply.** We are working on a new annual housing monitoring report this is unlikely to change the position. The requirement from the

government's standard method has reduced from 946 homes per year to 910 but this is unlikely to fundamentally change our position. A new Local Plan and consents for housing sites are needed to build a pipeline of new housing sites to meet the identified need.

- **Failure of the contractors to deliver the service through staff shortages, strike action, company liquidation, legal prohibitions and/or other similar circumstances that render this contractor unable to continue with the contract.** This remains very likely due to contract extension negotiations, preparation for contract replacement in 2026 and legislative uncertainty.

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

Finance	High	Medium	Low
<i>Risks by score</i>		3	12

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

Growth & Development	High	Medium	Low
<i>Risks by score</i>	1	8	3

Health & Environment	High	Medium	Low
<i>Risks by score</i>	1	9	6

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

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

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

There are 16 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 C](#).

Strategic Risks	High	Medium	Low
<i>Risks by score</i>	0	15	1

There are no new risks on the strategic risk register.

7. An explanation and definitions of all the risks including the risk matrix can be found in [Appendix D](#).

Financial implications:

No direct financial implications

Legal implications:

There are no direct legal implications