

Epping Forest District Council Corporate Risk Register

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Contents

Section		Page No.
1.	Introduction	3
2.	The Process	4
Appendix 1	Risk Profile	6
Appendix 2	Corporate Risk Register /Action Plans	7 - 18

1. Introduction

A strategic risk management 'refresh' exercise was conducted on 15th May 2013 with assistance from Zurich Risk Engineering. This exercise was an opportunity for the Management Board to refresh (or update) through identification, analysis and prioritisation those risks that may affect the ability of the Council to achieve its strategic objectives and Corporate Plan. In doing so, the organisation is recognising the need to sustain risk management at the highest level.

The refresh exercise involved a workshop with Management Board to identify new business risk areas and to update and re-profile important risks from the existing corporate risk register.

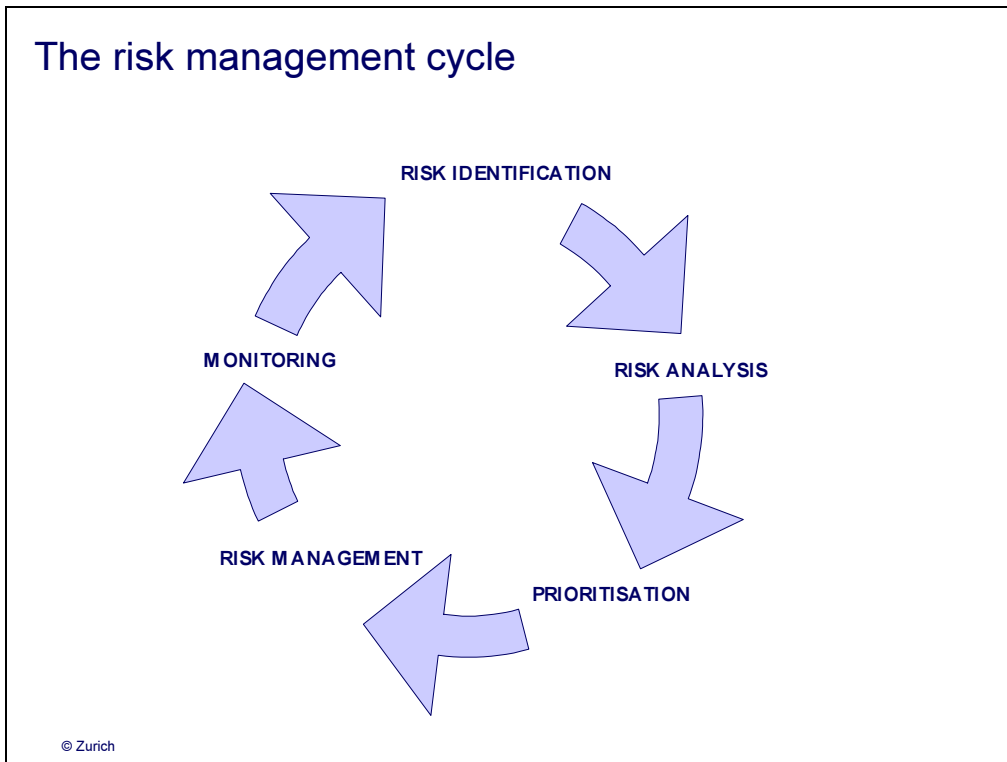
In total 8 strategic risks were profiled at the workshop and during the workshop, each risk was discussed to ensure common agreement and understanding of its description and then prioritised on a matrix. The risk matrix measured each risk for its likelihood and its impact in terms of its potential for affecting the ability of the organisation to achieve its objectives.

For the risks that were assessed with higher likelihood and impact, the group validated the risk scenarios and determined actions to manage them, including assessing the adequacy of existing actions and identifying the need for further actions in order to move the risk down the matrix.

Management Board agreed a timescale for re-visiting these risks in order to assess if they are still relevant and to identify new scenarios. Risks in the red zone will be monitored on a monthly basis and those in the amber zone on a quarterly basis.

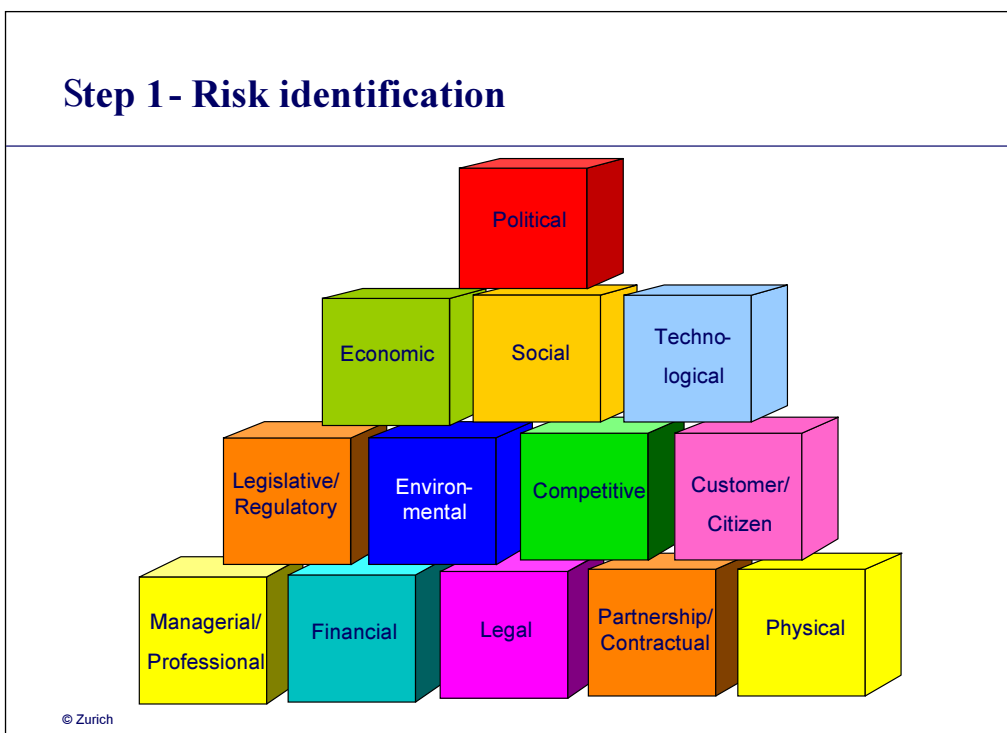
The following report outlines the process utilised by Zurich Risk Engineering and the results achieved.

2. The Process



Risk identification

The first of five stages of the risk management cycle requires risk identification. This formed the initial part of the workshop. In doing so the following 13 categories of risk were considered.



Risk analysis

During the workshop, the identified risks were discussed and framed into a risk scenario format, containing risk cause and consequence elements, with a 'trigger' also identified. This format ensured that the full nature of the risk was considered and also helped with the prioritisation of the risks.

Risk prioritisation

The discussion resulted in 8 risk scenarios being agreed (Appendix 2) and these were then assessed for impact and likelihood and plotted onto a matrix (Appendix 1). The likelihood of the risks was measured as being 'very high', 'high', 'medium', or 'low/very low'. The impact, compared against the key objectives and Corporate Plan was measured as being 'major', 'moderate', 'minor' or 'insignificant'.

Once all risks had been plotted the matrix was overlaid with red, amber and green filters, with those risks in the red area requiring further particular scrutiny in the short-term, followed by those in the amber area.

Risk management and monitoring

The next stage is to monitor the revised management action plans. These plans frame the risk management actions that are required. They map out the target for each risk i.e. to reduce the likelihood, impact or both. They also include targets and critical success factors to allow the risk management action to be monitored.

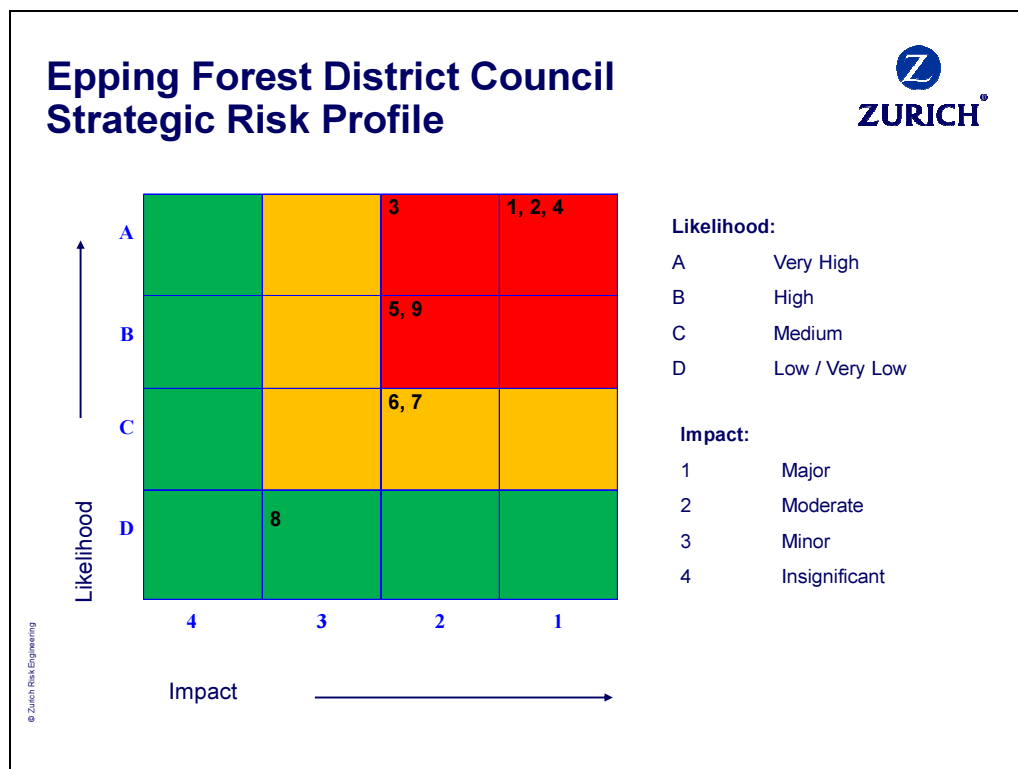
A risk owner has been identified for each risk. It is vital that each risk should be owned by a member of Management Board to ensure that there is high level support, understanding and monitoring of the work that is required as part of the plans. Risks should also be reviewed as part of the business planning process, in order to assess if they are still relevant and to identify new issues.

The monitoring of these action plans takes place at Corporate Governance Group, Management Board and the Risk Management Group. The action plans are also reported to Members quarterly.

Appendix 1 – Risk Profile

Risk profile

During the workshop, 8 risks were identified and framed into scenarios. The results are shown on the following risk profile.



Appendix 2 details all of the above risks.

It is important that an action plan element is written for each of the risks, with particular focus on those with the highest priority, as it is this which will allow them to be monitored and successfully managed down.

An opportunity was also taken as part of this refresh to 'spring clean' the risk numbers, and they were numbered in priority order as follows:

New risk number	Short name
1	Local plan
2	Strategic sites
3	Welfare reform
4	Finance – income
5	Economic development
6	Data/ information
7	Business continuity
8	Partnerships
9	Safeguarding

Appendix 2 – Corporate Risk Register and Action Plans

Risk No 1	Local Plan	A1		
Vulnerability	Trigger	Consequence	Risk Owner	
<p>On-going changes to Planning system increase importance of having up to date Local Plan.</p> <p>Changes in government planning policy require new Local Plan to take approaches significantly different from predecessors eg Duty to Co-operate, release Green Belt.</p> <p>Difficulties in implementing “Duty to Co-operate” may make it difficult or impossible to achieve “sound” Local Plan in timely fashion</p> <p>Failure to make timely progress increases likelihood of “planning by appeal”</p> <p>Loss/sickness of key staff and recruitment difficulties or inappropriate resource provision hold back progress.</p>	<p>Failure to make timely decisions and adhere to Local Development Scheme Project Plan.</p> <p>Failure of Council to approve a draft plan in line with National Planning Policy Framework.</p> <p>Inability to agree, particularly on amount and distribution of objectively assessed development needs.</p> <p>Failure to adhere to Local Development Scheme leads to developers making significant planning applications in advance of new Plan.</p> <p>Loss/long term absence of key staff.</p>	<p>Reduced ability to manage development in line with local priorities. Failure to provide strategic direction for future development, and housing etc for future needs.</p> <p>Plan not “sound”, leading for further delay, wasted resources, and vulnerability to planning appeal decisions.</p> <p>As above</p> <p>Significant diversion of professional resources to appeals. Risk of costs awards against Council. Potential lost opportunity for infrastructure and other provision due to outdated/National Planning Policy Framework non-compliant policies Development which is inappropriate in location/scale/type</p> <p>Delay in progress Potential need for rework due to loss of “corporate memory”.</p>	<p>John Preston</p>	

Risk No 1 Local Plan – Action Plan						
Existing Controls/actions to address risk	Effectiveness of controls/actions	Required further management action	Responsibility for action	Critical success factors and measures	Review frequency	Key date
Project management approach in place including regular updates, resource planning.	Project plan needs to incorporate more time for political engagement at key decision points.	Agree mechanisms and timing with lead members, incorporate in revised project plan	Glen Chipp John Preston Anna Cronin	Future adherence to project plan.	Project plan ongoing. MB review 6 weekly	Finalise key evidence esp. re development need to summer 2014. Cabinet to agree draft plan for consultation September 2014, Consultation November 2014-January 2015.
Local Development Scheme reviewed July 2013.	Local Development Scheme now out of date (Nov 13).	Review Local Development Scheme on basis of new project plan, when agreed (see above)	Anna Cronin Glen Chipp	Local Development Scheme remains robust	As necessary	Review likely June/July 2014
Workshops for EFDC and Town/Parish councillors on key issues to enhance awareness and understanding of new government requirements.	Workshops popular and helpful but not a mechanism for strategic decision making.	Supplement workshops with other forms of briefing to EFDC members as agreed with leading members.	John Preston Anna Cronin	Timely decision making in line with project plan.	As necessary	
Engagement with other key stakeholders eg ad hoc meetings with Town/Parish councils, Resident Associations, use of Forester and website.	Limited, as tends to be reactive, resource intensive, and consistent messages difficult to develop in light of uncertainties over project plan	Develop strategic communications plan and implement See above re project plan	Glen Chipp Anna Cronin	Stakeholders feel well informed about process and decisions (though they may not agree). Informed responses to public consultation. Less need for reactive communications.	As necessary	Establish communications approach by mid June 2014

Risk No 1 Local Plan – Action Plan

Existing Controls/actions to address risk	Effectiveness of controls/actions	Required further management action	Responsibility for action	Critical success factors and measures	Review frequency	Key date
<p>Systematic approach to Duty to Co-operate, engaging public bodies and developing Memorandum of Understanding with key councils around Harlow.</p>	<p>Difficulties and delay in engaging councils in serious discussion re Memorandum of Understanding, however progress now being made. Initial meetings held with most other key bodies with positive outcomes, issues identified. Constant review of Planning Institute local plan decisions re Duty to Co-operate.</p>	<p>Important that key decisions do not precede Duty to Co-operate ie “fait accompli”- needs to be accommodated in project plan and Local Development Scheme. Progress Memorandum of Understanding, engaging members and using Planning Advisory Service support as necessary. Engage further key bodies eg Lee Valley Regional Park. Discuss informally with Planning Institute as necessary.</p>	<p>John Preston Anna Cronin</p>	<p>Submitted plan passes legal test of Duty to Co-operate.</p>	<p>MB review six weekly</p>	<p>Next officer meeting 11 March 2014 in relation to Strategic Housing Market Assessment partners and Durt to Co-operate. Member briefing by PAS 25 March (date tbc)</p>
<p>Consultants in place to support project management, resource planning, Sustainability Assessment, transport modelling, masterplanning. Experienced maternity cover for two key posts in place. Temporary posts resourced. Budget available.</p>	<p>Staff cannot be prevented from leaving. Exit interviews should reveal any specific patterns. Market is picking up, making recruitment more difficult.</p>	<p>Continue to recruit swiftly as issues occur. Keep structure of team and remuneration under review in the light of wider council restructure, using consultancy support as appropriate. Plan appropriate handovers as senior staff move towards retirement etc.</p>	<p>John Preston Anna Cronin</p>	<p>No delays to timetable due to staffing gaps or lack of critical skills</p>	<p>As above</p>	

Risk No 2 Strategic Sites A1						
Vulnerability		Trigger		Consequence		Risk Owner
The Council has a number of Strategic sites which it needs to make the right decisions about and then deliver on those decisions.		Not maximising the opportunity of the strategic sites either through decisions or delivery		<ul style="list-style-type: none"> Financial viability of Council harmed Lack of economic development and job creation External criticism 		Colleen O'Boyle
Existing Controls/actions to address risk	Effectiveness of controls/actions	Required further management action	Responsibility for action	Critical success factors and measures	Review frequency	Key date
Work on strategic sites is co-ordinated through a dedicated Cabinet Committee.	Work is progressing on developing a number of sites	Reports to Cabinet Committee and Cabinet to obtain decisions on development options.	Colleen O'Boyle	Development of strategic sites completed in accordance with Cabinet decisions.	Monthly	None

Risk No 3 Welfare Reform A2						
Vulnerability		Trigger		Consequence		Risk Owner
The government is undertaking a major reform of the welfare system which is likely to have serious impacts on the Council and the community. This includes Universal Credit, changes to Council Tax and other benefits and direct payments to tenants.		Welfare reform changes have a detrimental effect on the Council and community		<ul style="list-style-type: none"> • Tenants no longer able to afford current/new tenancies. • Increase in evictions and homelessness • Increased costs of temporary accommodation • Unable to secure similar level of income due to payment defaults • Increase in rent arrears • Public dissatisfaction • Criticism of the Council for not mitigating the effects for residents. 		Alan Hall
Existing Controls /actions to address risk	Effectiveness of controls/actions	Required further management action	Responsibility for action	Critical success factors and measures	Review frequency	Key date
Joint Benefits and Housing working group established. Mitigation action plan developed.	Two thirds of the actions have been implemented and the remaining actions are in abeyance pending Government announcements on Universal Credit.	Working Group to continue and amend mitigation action plan as necessary.	Alan Hall	<p>A smooth implementation of welfare reforms.</p> <p>Minimise number and cost of redundancies.</p>	Monthly	Start date for Universal Credit still unclear

Risk No 4 Finance Income A1						
Vulnerability		Trigger	Consequence			Risk Owner
<p>The Council has a reliance on major income generating contracts and fee earning services. Some of which have been adversely affected by the recession and some of which may be affected by legislative change.</p> <p>With changes to central funding based on local retention of NDR the Council is more vulnerable to downturns in the local economy and to the large number of outstanding appeals against NDR assessments that pre-date local retention but which the Council will have to fund.</p> <p>Welfare reform may require substantial change to the calculation and administration of benefits with a likely reduction in funding received.</p> <p>The medium term financial strategy requires net CSB reductions of £1.6m over three years, which is a challenging target.</p>		<p>Unable to secure required level of income due to recession, reduced economic confidence or adverse change in funding</p>	<ul style="list-style-type: none"> • Council unable to meet budget requirements • Staffing and service level reductions • Increase Council Tax • Increase in charges • Greater use of reserves if required net savings not achieved • Higher level of saving in subsequent years. 			<p>Bob Palmer</p>
Existing Controls /actions to address risk	Effectiveness of controls/actions	Required further management action	Responsibility for action	Critical success factors and measures	Review frequency	Key date
<p>Monitoring of key income streams and NDR tax base. Savings opportunities pursued through service reviews and corporate restructure.</p>	<p>Effective to date as budgets have been achieved that meet the financial targets set by Members.</p>	<p>Update Medium Term Financial Strategy as announcements are made on changes to central funding and welfare.</p> <p>Continue to pursue opportunities to reduce net spending.</p>	<p>Bob Palmer</p>	<p>Savings targets achieved with net expenditure reductions over the medium term as part of a structured plan.</p>	<p>Monthly</p>	<p>26 June 2014</p>

Risk No 5 Economic Development B2						
Vulnerability		Trigger	Consequence			Risk Owner
Economic development and employment is very important, particularly in the current economic climate. The Council needs to be able to provide opportunities for economic development and employment (especially youth employment) in the District.		Council performs relatively poorly compared to other authorities.	<ul style="list-style-type: none"> • Unable to secure sufficient opportunities • Local area and people lose out • Insufficient inward investment • Impact on economic vitality of area • Loss of revenue 			Glen Chipp
Existing Controls/actions to address risk	Effectiveness of controls/actions	Required further management action	Responsibility for action	Critical success factors and measures	Review frequency	Key date
Work has commenced on an updated Economic Development Strategy.	Resources in this area have not yet been increased in line with the greater significance it now has.	Completion of Strategy and allocation of appropriate resources.	Glen Chipp	Growth in NDR tax base and employment opportunities. Council to be viewed as punching above its weight.	Monthly	None

Risk No 6 Data / Information C2						
Vulnerability		Trigger	Consequence			Risk Owner
The Authority handles a large amount of personal and business data. Either through hacking or carelessness, security of the data could be compromised.		Data held by the Council ends up in inappropriate hands.	<ul style="list-style-type: none"> • Breach of corporate governance • Increased costs and legal implications • Reputation damaged 			Bob Palmer
Existing Controls/actions to address risk	Effectiveness of controls/actions	Required further management action	Responsibility for action	Critical success factors and measures	Review frequency	Key date
<p>Security Officer is continually monitoring situation and potential risks. Most systems have in built controls to prevent unauthorised access.</p> <p>Controls in systems have been strengthened in response to specific occurrences</p> <p>Rollout of a Data Protection e-learning module commenced Jan 2014, for completion by officers every two years.</p> <p>Data Protection to form part of Member induction from May 2014, with requirement to confirm acceptance of the Council's DP policy.</p>	Generally effective to date, although some lapses still occurred in 2012/13	<p>Maintain GCSx compliance and system controls.</p> <p>Investigation of possible consolidation of Data Protection and Freedom of Information work in one area.</p>	Bob Palmer	<p>No data loss or system downtime due to unauthorised access of EFDC systems or data.</p> <p>Continued security of personal data held by the Council in accordance with the Data Protections Act 1998.</p>	Quarterly	None

Risk No 7 Business Continuity C2						
Vulnerability		Trigger	Consequence			Risk Owner
<p>The Council is required to develop and implement robust Business Continuity Plans in line with the requirements of the Civil Contingencies Act.</p> <p>There is some concern over disruption from the Tour de France but this will be over a short period and there is still plenty of time to put appropriate arrangements in place.</p>		<p>Unable to respond effectively to a business continuity incident (e.g IT virus/flu pandemic)</p>	<ul style="list-style-type: none"> • Services disrupted / Loss of service • Possible loss of income • Staff absence • Hardship for some of the community • Council criticised for not responding effectively 			Derek Macnab
Existing Controls/actions to address risk	Effectiveness of controls/actions	Required further management action	Responsibility for action	Critical success factors and measures	Review frequency	Key date
<p>Most services already have business continuity plans in place and a separate flu pandemic plan has been developed.</p>	<p>The effectiveness of controls is assessed periodically through test and exercises</p>	<p>Both corporate and service business continuity plans are being updated.</p> <p>Implementation of Cabinet approved measures to enhance the resilience of ICT</p>	Derek Macnab	<p>Having plans in place which are proved fit for purpose either by events or external scrutiny.</p>	Quarterly	None

Risk No 8 Partnerships D3						
Vulnerability		Trigger	Consequence			Risk Owner
<p>The Council is involved in a plethora of multi agency partnerships e.g. LSP - LEP, and these have a variety of governance arrangements.</p> <p>Localism act may cause transfer of Council services to providers with governance issues.</p>		<p>Key partnership fails or services provided via arrangements lacking adequate governance.</p>	<ul style="list-style-type: none"> • Relationships with other bodies deteriorate • Claw back of grants • Unforeseen accountabilities and liabilities for the Council • Censure by audit/inspection • Adverse impact on performance 			<p>Glen Chipp</p>
Existing Controls/actions to address risk	Effectiveness of controls/actions	Required further management action	Responsibility for action	Critical success factors and measures	Review frequency	Key date
<p>Active participation in key partnerships by appropriate officers/Members.</p> <p>Structured reporting back to designated Scrutiny Panels.</p> <p>Members can request representatives on outside bodies to report to Full Council.</p>	<p>No significant issues to date.</p>	<p>Continue existing monitoring procedures for current partnerships and construct appropriate arrangements for any new partnerships.</p>	<p>Glen Chipp</p>	<p>No significant impacts on service delivery or Council reputation from any partnership failures.</p>	<p>Quarterly</p>	<p>None</p>

Risk No 9 Safeguarding B2			
Vulnerability	Trigger	Consequence	Risk Owner
<p>The Council needs to demonstrate its ability to meet its duties under Sections 11 and 47 of the Children Act 2004.</p> <p>Although not yet a statutory requirement, the Council also needs to comply with best practise in regard to safeguarding vulnerable adults from harm.</p> <p>This is a Council –wide requirement which includes training and awareness of staff at all levels across the organisation and Elected Members.</p> <p>Effective systems and processes for safeguarding children, young people and vulnerable adults need to be in place</p>	<p>The Council fails to meet its duties in regard to safeguarding and information sharing</p> <p>Elected Member reluctance to undertake training results in the Council failing to meet a ‘whole Council’ approach</p> <p>Staff reluctance to be involved in referring safeguarding concerns due to lack of confidence and awareness.</p>	<ul style="list-style-type: none"> • A child, young person or vulnerable adult suffers significant harm • A child, young person or vulnerable adult suffers from exploitation • Avoidable death of a child, young person or vulnerable adult living in the District • Reputational risk for Council • Censure and special measures applied 	<p>Derek Macnab</p>

Risk No 9 Safeguarding - Action Plan						
Existing Controls/ actions to address risk	Effectiveness of controls/actions	Required further management action	Responsibility for action	Critical success factors and measures	Review frequency	Key date
<p>The Council has a current and comprehensive Safeguarding Policy which is updated annually or in line with any changes within legislation.</p> <p>The policy details what is required of all staff and members, and contains clear instructions for the recording and processing of safeguarding concerns, incidents and allegations.</p> <p>A Corporate Safeguarding Group provides a forum for sharing best practice, disseminating information across Directorates and identifying any weaknesses in the Council's work.</p> <p>All staff are required to undertake safeguarding training appropriate to their roles.</p> <p>The Council has a Safe Recruitment Policy.</p> <p>The Council has agreed to the introduction of a dedicated senior safeguarding post for two years to enable the Council to meet all of the required standards.</p>	<p>The Council has reduced the risk of safeguarding issues going unnoticed by staff and members by providing clear procedures and requirements for training and awareness.</p> <p>This group is only partially effective, due to limited commitment by some Directorates</p> <p>This will be effective subsequent to a training Plan being developed.</p> <p>Safe Recruitment assists the Council in reducing the risk of employing an unsuitable member of staff.</p>	<p>Leadership Team and Managers to ensure that all staff are aware of the Councils safeguarding policy and procedures</p> <p>The Council needs to ensure timely response to changes in legislation or local procedures.</p> <p>Directorates need to commit time for representatives to attend the Corporate Working Group.</p> <p>Staff require training in Safe Recruitment.</p>	Derek Macnab	<p>The Council meets all of its duties under Section 11 and 47.</p> <p>The Council fully meets all aspects of the ESCB/ESAB Safeguarding self - assessment.</p>	Monthly	Monthly