



## AUDIT & GOVERNANCE COMMITTEE

Monday, 08 January 2024

<b>Subject</b>	Corporate Risk Management Update
<b>Cabinet Member</b>	Councillor Vince Langdon-Morris Cabinet Member with responsibility for Resources and Value for Money  Councillor Tim Wilson Assistant Cabinet Member for Resources and Value for Money
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Is the report Open or Exempt?	OPEN
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Category of Exempt Information and reason why it is <b>NOT</b> in the public interest to disclose the exempt information.	N/A
<b>Wards Affected:</b>	All Wards

## Purpose and high-level overview

### **Purpose of Report:**

The purpose of this report is to provide the Committee with an overview of how the Council's strategic and operational risks are managed. It provides an overview of the identified risks and what is being undertaken to mitigate and control the risks.

To build on effective corporate risk management across the Council, it is recommended that the Committee reviews current risk reporting to ensure the reports continue to be useful and in an effective format. Members are asked to review the key risks on the register at regular intervals and consider corporate risk management when they are planning any future work programmes.

### **Options:**

There are no options to be considered in relation to this report.

### **Recommendation/s:**

That the committee note on the corporate strategic risks from the Council's current Corporate Risk Register (CRR) which is governed and monitored by the Corporate Leadership Team (CLT).

## Corporate Impact Assessment

### **Governance:**

The governance of the Council is supported by having an effective and robust risk management process in place to manage and monitor all risks, including strategic risks. Overall responsibility of corporate risks and governance is the responsibility of CLT. Risks are monitored, reviewed and clearly aligned to the East Suffolk Strategic Plan. Robust procedures are in place to ensure increased risks can be escalated to CLT to consider and approve inclusion onto the corporate risk register.

### **ESC policies and strategies that directly apply to the proposal:**

- East Suffolk Risk and Opportunity Management Strategy
- East Suffolk Strategic Plan – Our Direction

### **Environmental:**

There are no direct environmental impacts arising from this report, other than risks relating to the environment (e.g. flooding).

### **Equalities and Diversity:**

An Equality Impact Assessment is not required as the recommendations of this report do not require changes in policy and service delivery.

### **Financial:**

No specific impacts as a result of this report, other than risks contained within the risk register.

**Human Resources:**

No specific impacts as a result of this report, other than risks contained within the risk register.

**ICT:**

No specific impacts as a result of this report, other than risks contained within the risk register.

**Legal:**

No specific impacts as a result of this report, other than risks contained within the risk register.

**Risk:**

This report provides information on the risk management process and procedures within the Council along with details and status of the Council's corporate risks.

<b>External Consultees:</b>	None.
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## Strategic Plan Priorities

Select the priorities of the <a href="#">Strategic Plan</a> which are supported by this proposal: <i>(Select only one primary and as many secondary as appropriate)</i>		Primary priority	Secondary priorities
<b>T01</b>	<b>Growing our Economy</b>		
P01	Build the right environment for East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P02	Attract and stimulate inward investment	<input type="checkbox"/>	<input type="checkbox"/>
P03	Maximise and grow the unique selling points of East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P04	Business partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P05	Support and deliver infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
<b>T02</b>	<b>Enabling our Communities</b>		
P06	Community Partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P07	Taking positive action on what matters most	<input type="checkbox"/>	<input type="checkbox"/>
P08	Maximising health, well-being and safety in our District	<input type="checkbox"/>	<input type="checkbox"/>
P09	Community Pride	<input type="checkbox"/>	<input type="checkbox"/>
<b>T03</b>	<b>Maintaining Financial Sustainability</b>		
P10	Organisational design and streamlining services	<input type="checkbox"/>	<input type="checkbox"/>
P11	Making best use of and investing in our assets	<input type="checkbox"/>	<input type="checkbox"/>
P12	Being commercially astute	<input type="checkbox"/>	<input type="checkbox"/>
P13	Optimising our financial investments and grant opportunities	<input type="checkbox"/>	<input type="checkbox"/>
P14	Review service delivery with partners	<input type="checkbox"/>	<input type="checkbox"/>
<b>T04</b>	<b>Delivering Digital Transformation</b>		
P15	Digital by default	<input type="checkbox"/>	<input type="checkbox"/>
P16	Lean and efficient streamlined services	<input type="checkbox"/>	<input type="checkbox"/>
P17	Effective use of data	<input type="checkbox"/>	<input type="checkbox"/>
P18	Skills and training	<input type="checkbox"/>	<input type="checkbox"/>
P19	District-wide digital infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
<b>T05</b>	<b>Caring for our Environment</b>		
P20	Lead by example	<input type="checkbox"/>	<input type="checkbox"/>

P21	Minimise waste, reuse materials, increase recycling	<input type="checkbox"/>	<input type="checkbox"/>
P22	Renewable energy	<input type="checkbox"/>	<input type="checkbox"/>
P23	Protection, education and influence	<input type="checkbox"/>	<input type="checkbox"/>
XXX	<b>Governance</b>		
XXX	How ESC governs itself as an authority	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**How does this proposal support the priorities selected?**

**Governance**

Risk management is important in corporate governance because it protects the organisation. Proactively managing, identifying and monitoring risk in an effective manner reduces risk exposure and ultimately limits potential damage. Mechanisms are established and embedded within the Council with responsibilities clearly identified to allow risks to be escalated, when required, onto the corporate risk register. All risks within the ESC Risk Register are also assigned to a strategic theme within the East Suffolk Strategic Plan which ensures risks are categorised effectively. The Risk Management Framework (Appendix B) clearly demonstrates the management of risks within the Council.

## Background and Justification for Recommendation

1 Background facts	
1.1	<p><b>Audit and Governance Committee</b></p> <p>The Audit and Governance Committee has responsibility for overseeing risk management for East Suffolk Council. Corporate risk management includes the processes and structures by which the business and affairs of the Council are directed and managed. This is to improve long-term stakeholder confidence by enhancing corporate performance and accountability. An annual update on Corporate Risk Management is reported to Audit and Governance Committee.</p>
1.2	<p><b>Overview</b></p> <p>Corporate risk management is about building credibility, ensuring transparency and accountability as well as maintaining an effective channel of information disclosure that would foster good corporate performance. Risk management also covers opportunity management.</p>

2 Current position	
2.1	<p><b>Management of Risks</b></p> <p>The Council's approach to corporate risk management is to embed risk management across the Council so that it is the responsibility of all managers and teams rather than purely the responsibility of one team.</p> <p>Overall Risk Management sits within the Digital and Programme Management service area, it is aligned to the management of the Strategic Plan and includes providing risk management advice and support to all officers across all services.</p> <p>The Chief Finance Officer has specific responsibilities as Section 151 Officer, including ensuring assets are safeguarded and insurances in place, and the Head of Internal Audit takes an independent review of the governance of risks, however all Heads of Service ensure that risks within their areas of responsibility are recorded and managed appropriately, in line with the Risk Management Framework (Appendix B). This framework clearly identifies monitoring and reviewing risks; recording and reporting; and communication and consultation. Corporate Leadership Team (CLT) has overall responsibility to oversee the approach to risk management within the Council including its regular review and monitoring.</p>
2.2	<p><b>Risk Management processes</b></p> <p>Risk registers form part of corporate leadership reporting and are designed to be living documents, updated regularly. The CRR covers risks which affect our ability to achieve long-term Council objectives including those within the East Suffolk Strategic Plan and those which may affect service delivery or our district as a whole. Risks within the Corporate Risk Register (CRR) states the cause, event and effect. For example, "<b>as a result of</b> bad weather, <b>there is a risk that</b> staff will not be able to get to the office and undertake their work <b>which will result in</b> unhappy service users and increased complaints."</p>

	<p>Governance arrangements for the East Suffolk Strategic Plan ensure that risks are identified for each theme and continue to be monitored and managed effectively ensuring high level risk reporting takes place across the Council. All risks within the ESC Risk Register clearly identify the Strategic Plan theme they relate to and are managed and monitored regularly. Risks can be escalated from service areas and Strategic Plan Theme meetings to CLT for consideration and inclusion in the CRR, this process also allows risks to be moved or lowered (e.g., a corporate risk to be moved to the theme or service level risk register) if appropriate.</p> <p>The Risk Management Toolkit (Appendix A), developed with Zurich Insurance, is used to assess and manage corporate, operational, project and partnership risks. The Council's intranet has a dedicated Risk Management page containing useful information, including guidance, training presentations/documents, East Suffolk Risk and Opportunity Management Strategy and Corporate Risk Registers.</p>
2.3	<p><b>East Suffolk Risk and Opportunity Management Strategy</b></p> <p>The East Suffolk Risk and Opportunity Management Strategy provides a clear purpose of risk management ensuring it is robust and provides comprehensive details on the governance and management of risks. The Strategy also includes opportunities arising from risk management and the risk management process is demonstrated including risk escalation, monitoring and review; roles and responsibilities; aims and objectives and the Council's risk appetite.</p> <p>Independent experts, Zurich Insurance, undertook a health-check of the Strategy at the end of 2021 which provided the Council with validation that the Strategy is fit for purpose and meets good practice. Audit and Governance Committee approved the Strategy on 13 December 2021.</p>
2.4	<p><b>Key Categories for Managing Risks</b></p> <p>For the purposes of effectively managing risk, and in accordance with best practice, the Council manages risk within five categories:</p> <ul style="list-style-type: none"> <li>• <b>Corporate (also known as 'Strategic')</b> risks which affect our ability to achieve long-term Council objectives, such as those in the East Suffolk Strategic Plan. These are recorded in the Corporate Risk Register (CRR) and regularly reviewed and monitored by CLT.</li> <li>• <b>Strategic Theme level risks</b> are those that affect the ability to deliver priorities within a theme of the East Suffolk Strategic Plan. Risks are identified, monitored and regularly reviewed as part of the framework to deliver objectives.</li> <li>• <b>Operational/Service level risks</b> are those that affect the day-to-day business of a service; for example, staff absence and its impact on service delivery. These are recorded, identified and managed by service areas. Heads of Service are expected to report high level risks within their service area to CLT to consider whether they are significant enough to be escalated to corporate level status.</li> <li>• <b>Health and Safety</b> includes health and safety of service users as well as staff and councillors. This is overseen by Environmental Services and Port Health. Information, policies and risk assessments are available on the Council's intranet.</li> </ul>

	<ul style="list-style-type: none"> <li>• <b>Emergency Planning and Business Continuity</b> are the responsibility of the Head of Operations. Emergency Planning and internal Business Continuity Services for the Council are provided by the District Emergency Planning Officer and the Emergency Planning Officer, employed by the Suffolk Joint Emergency Planning Unit. This enables the Council to react effectively to infrequent Major Emergencies, in partnership with other agencies, as required by the Civil Contingencies Act 2004. Further information is available on the Council's Intranet, while general information on the multi-agency response to Major Emergencies, together with plans available for public scrutiny are available at <a href="http://www.suffolkresilience.com">www.suffolkresilience.com</a></li> </ul>
2.5	<p><b>Project Risks</b></p> <p>Project risks are also managed according to the risk management process toolkit. Details of risks are included in risk register templates for projects and business case appraisals. Links to the relevant documents are included in the Project Management Framework. Each significant project should have its own risk register allowing Project Managers to actively manage risks pertaining to specific projects and Project Boards to monitor those risks.</p>
2.6	<p><b>DEVELOPMENT AND PROGRESS IN MANAGING RISK</b></p> <p><b>Risk Management E-learning Module</b></p> <p>The Risk Management e-learning module continues to form part of the induction process and is mandatory for all new staff to undertake training within one month of employment. Further training or guidance on risk management is available.</p> <p><b>Risk Management Training Programme</b></p> <p>As part of the Risk Management Training Programme the Council's insurance providers and advisors, Zurich Insurance Group, facilitated the annual 'Horizon Scanning and Corporate Risk Challenge' session for CLT on 21 November 2023. It clearly demonstrated that risks relevant to the Council, and identified within the global risk report, are captured within the Corporate Risk Register. Further work on outcomes arising at this meeting will be considered by CLT on 19 December 2023 which may result in minor changes. The session reviewed and challenged existing corporate risks and any potential additional risks the Council needed to identify.</p> <p><b>Risk Appetite:</b> Work will continue to strengthen guidelines around risk appetite to aid in determining the council's approach to individual risk management.</p>
2.7	<p><b>CORORATE RISKS</b></p> <p>This section provides details on progress being undertaken to achieve specific targets, meet risk scores of existing corporate risks and includes new risks. There are currently <b>25 risks</b> on the Corporate Risk Register (<b>3 red risks, 18 amber risks and 4 green risks</b>). The risk management toolkit/matrix (Appendix A) is used to assess risk scores and monitor and manage all risks.</p> <p><b>Red Risks:</b></p> <p><b><u>Failure to deliver import checks required in new Target Operating Model (TOM) (Red B2, high likelihood, critical impact)</u></b></p> <p>The Suffolk Coastal Port Health Authority's (SCPHA) ability to deliver the required BTOM checks has a significant dependency on the clarity of information provided by National Competent bodies; these policies/requirements remain in development and have not been fully confirmed. SCPHA has already sought</p>

Council approval for delegated authority to act to enable it to respond in a dynamic and rapid way with the appropriate governance structure. SCPHA is currently developing a financial modelling paper and a proposed future service development paper, that are based on the current known requirements and reasonable assumptions. This will be brought forward for consideration/approval in November/December 2023. This paper, if approved, will enable SCPHA to commence preparations for the implementation of the BTOM and will see the risk reduce to B4 Amber. There will continue to be a BTOM delivery risk until such time as all the policy elements of the BTOM have been developed, implementation easements have been rescinded, and that a business-as-usual position has been achieved. This is not envisaged to be before late 2025.

**Coastal Management – Incident management – flood risk**

**(Red B1, high likelihood, catastrophic impact)**

Potential of flooding and tidal surges in the short-term and the long-term remains high, particularly as the Council has a large coastline and the impact this would have on properties, communities and businesses. There is also a possibility of more frequent flooding and tidal surges due to the impact of climate change. ESC is part of Suffolk Resilience Forum and continues to work with other agencies. Work was undertaken to develop crisis response plans which will also involve regular review in future. Targeted actions include Coastal Partnership East producing an incident response protocol with incident response 'Civil Contingencies, Environmental Health and Building Control' (as appropriate with local authorities) and with others depending on flood risk sources. Due to the nature and uncertainty of this risk it cannot be eliminated, however, work continues to monitor and manage its impact.

The target risk is B4 amber. The aim is to ensure the impacts and effects of all coastal management risks reduce on those affected through either improved defences, improved warning or by adaptation measures, the target risk review date is 2025 which will allow time to see the outcome of our Resilient Coast project pilots and progress on Lowestoft which will be advanced.

**High profile or major coastal erosion or coastal incident**

**(Red B2, high likelihood, critical impact)**

There remains a high possibility for major erosion, slip or a tidal surge incident along the East Suffolk coastline which could be catastrophic to life or loss of public or private assets. Monitoring of weather and surge reports is undertaken with appropriate engagement with civil contingencies team, East Anglia and Suffolk and Norfolk Resilience Forums. Out of office cover and emergency plans are in place. 'Peace-time' work is due to be undertaken with wider local authority teams to establish resources and responsibilities in an erosion event. Work continues on incident management with Building Control, Housing and Communities teams with the wider Council impacts from erosion requiring multi-team/agency response with homeowners, utilities and public. An emergency event plan is developed in conjunction with other relevant service areas and external partners e.g. Coastguard, Utilities, Police and implemented in key erosion locations. Funding from our FCRIIP bid will help with awareness raising and community planning. Target risk score is C3 (amber).



## Amber Risks:

### Cost of living crisis

#### **(Amber B3, high likelihood, major impact)**

A significant risk to the Council is the cost-of-living crisis impacting on individuals, families and communities in East Suffolk. The Council is continuing to experience increased pressure on existing resources to meet greater and more complex demand to support all those in need. This pressure particularly impacts on the following services: communities, housing and revenues and benefits, and there is also pressure on council finances to meet needs through hardship grants and other forms of support. There is potential for increased rent debt (impacting on ESC incomes) and house repossessions leading to increasing levels of homelessness and more deprivation across the district. Universal credit changes and sanctions will lead to more people seeking help to access emergency support (food, energy and financial). The Council hosts the Suffolk Warm Homes Team and there is huge demand for support around energy efficiency, costs and debt.

The Council is supporting communities with the cost-of-living crisis in many ways, including through the Community Partnership Board and eight Community Partnerships. The CPB has identified tackling inequalities as one of its priorities with a specific focus on financial inequality. A far-reaching Ease the Squeeze programme was established in 2002, with £100k allocated by the CPB to the programme and each member allocated £1k from their community budget to the cost-of-living crisis which, combined with other funding (including part of our UK Shared Prosperity Fund allocation) has created a programme worth more than £700k. The programme includes twelve projects including Warm Rooms, Community Pantries, Cooking on a Budget classes and Field to Fork community growing space grants.

Seventeen Ease the Squeeze roadshows were delivered along with regular outreach into community locations and focussed support through activities such as Talk Money Week. A dedicated webpage has been set-up providing information and advice. The Council has taken over 1000 referrals from residents for help with a wide range of challenges which are triaged through a new Community Help Hub. Other key sources of support include Winter Warmth Packs and a Pre-Payment meter project delivered by the Warm Homes Team alongside core advice, support and grants, a new project funded by Cadent to support 'centres for warmth' in Lowestoft, a Cold Homes project targeting older people and young people with respiratory conditions developed in conjunction with Norfolk and Waveney ICB and mobile work through the Wellbeing on Wheels (WoW) bus in the Lowestoft area and the new Be Well Bus in the south of the district. Grant schemes are in place for council tax discounts, housing benefits, discretionary housing payment and one-off hardship support, as well as Cost-of-Living Community Grants to enable VCFSE groups to develop local solutions. ESC works in partnership with other organisations such as DWP, other local authorities, community organisations, voluntary sector and police. The target risk score is C3 (amber) and will continue to be monitored by the Council and at Communities Theme meetings.

**Subsidy control compliance and reporting**

**(Amber B3, high likelihood, major impact)**

Risk relates to non-compliance with new post-January 2023 UK Subsidy Control (formerly State Aid) regime. Specialist legal and treasury management advice has been engagement where appropriate. External Training is scheduled for CLT and key officers on 10 January 2024. Target risk score is D4 green (low likelihood, marginal impact) and will be reviewed following training.

**Capacity to deliver the Council's aims and aspirations**

**(Amber C2, significant likelihood, critical impact)**

Risk relates to pressure on resources to deliver aims and ambitions within the Council including those identified within the Strategic Plan and the risk if these are not delivered. Contributing factors of this risk relate to pressure to meet aspirations identified; the number of significant projects which have the same timeframe and require the same officers to deliver; and additional finance. Increasing prices, supply chain issues and the need for additional staff/resources could potentially require use of reserves are also impacting on this risk. This risk will continue to be monitored and reviewed. Target risk score is C3 (amber).

**Failure to protect lives and properties from flooding/tidal surges (Lowestoft)**

**(Amber C2, significant likelihood, critical impact)**

Due to ESC having a large coastline the threat of flooding and tidal surges is a risk for the Council. National flood warnings and measures are in place, including procedures to warn people to vacate properties. Overall the risk is relatively low, however, Lowestoft remains a higher risk. At present, there is a temporary barrier in Lowestoft, regularly tested and deployed in significant tidal surges to protect Lowestoft central, and work is underway to construct the tidal flood walls and tidal barrier by 2029. The target score is green D4 (low likelihood, marginal impact) and although the project is progressing (the tidal walls are complete) the risk will not be reduced until the full scheme is in place.

**Housing Regulation – Breach of the Rent Standard and the 'Home' Consumer Standard**

**(Amber C2, significant likelihood, critical impact)**

ESC is not compliant with the Rent Standard and 'Home' Consumer Standard and has self-referred to the Regulator for Social Housing (RSH). The RSH published a Regulatory Notice on 23 May 2022. Rental charges dating back to ESC's predecessor authority, Waveney District Council, did not meet requirements set out in 'Rent Standard', with tenants who moved in after 2014 being charged higher rents. The review also included aspects of health and safety of properties, including fire risk assessments, asbestos management, water safety, gas and electrical safety, etc. A number of controls and mitigating actions have now been undertaken including forensic audit of potential overpayments of rents which was completed July 2023. A permanent Housing Health and Safety Board was created and provides senior level monitoring, control and direction. A full asset review of St Peter's Court was completed in August 2023 and considered by Cabinet on 2<sup>nd</sup> October 2023. A decision was made to re-home tenants with immediate effect and demolish the building. Regular monthly meetings being held with Housing Regulator and quarterly reports are being provided to Cabinet. Target risk is D4 (green) and will be monitored on a regular basis until the Regulatory Notice is withdrawn.

**Cyber-attacks including failure of ICT (Cyber security/resilience)**

**(Amber C2, significant likelihood, critical impact)**

ICT and cyber resilience remains a key priority with ongoing review and updating of infrastructure, systems and processes to mitigate against ever-evolving ICT risks. Specific measures are in place to address cyber security risks and additional solutions have been implemented to provide layers of resilience. 24/7 monitoring of the network takes place which raises alerts when any abnormal incidents/threats occur resulting in immediate action to be taken. External threats continue to be an ongoing concern and therefore will always be an entry on our risk register to ensure we remain vigilant. Target score D2 amber (low likelihood and critical impact).

**Increasing Anti-social behaviour incidents impacting on Council services**

**(Amber C2, significant likelihood, critical impact)**

Following discussion and agreement at CLT in October 2023, a new corporate risk was added relating to increasing anti-social behaviour incidents, both in volume and complexity, and the impact it is having on services throughout the Council. Multiple departments are involved in dealing with ASB reports including Housing on tenant matters, Environmental Services on statutory nuisance (particularly noise and smells), Planning regarding hedges and planning issues, and Communities dealing with a range of other ASB incidents including neighbour disputes and community level ASB.

Neighbourhood disputes have increased significantly along with customer expectations on the Council's ability to resolve incidents for them. Work is underway in the Council to review current structures to ensure customers are dealt with effectively, with minimal hand-off between our services and between our services and external partners, and ensuring they have realistic expectations of what we can and can't do. It is also important to identify and address any skills gaps as ASB complaints increase in complexity. The Council has an Anti-social Behaviour Policy, and a transformation project within the Communities Service has led to the implementation of a number of changes. Regular liaison also takes place between service areas and ASB training has been delivered to relevant officers. The target risk score is D3 (green) and will be reviewed once further work has been undertaken to address some of the actions around communication, joining up our ASB response and providing the best possible service whilst managing customer expectations.

**Recruitment of staff to key positions resulting in failure to deliver services**

**(Amber C3, significantly likelihood, major impact)**

Risk relates to ongoing issues to recruit staff to key and specialist positions within the Council which is significant and will increase if no action is taken. For some positions there had been a lack of applications for vacancies with positions remaining unfilled. In some instances, threshold/calibre required to undertake roles had not been met with successful candidates requiring additional support and training and positions having to be readvertised resulting in additional time required for the recruitment process. Recruitment is also a national issue and local authorities and other public sector bodies are unable to compete with competitive salaries offered by the private sector. Work continues to monitor this risk and, as part of this, the People Strategy is being refreshed which will include an action plan to address succession planning, career development and staff retention. A procurement exercise to source a strategic recruitment partner will

take place early 2024. Liaison continues to take place with CLT and managers across the council to ensure job descriptions are regularly reviewed and job evaluations undertaken. Target score of D4 (green) and work will continue to monitor at senior level.

**Failure to deliver consultants recommendations to effectively manage environmental impact of oil deposits on Gunton Beach**

**(Amber C3, significant likelihood, major impact)**

Due to increased exposure of oil deposits on Gunton Beach following oil spill from a collision between an oil tanker and an ore carrier 43 years ago. Part removal of contamination carried out at the time, the remainder was left in situ. Coastal erosion is likely to further expose oil deposits with the situation likely to worsen over next two years. Remediation work could potentially accelerate erosion and exacerbate the risk of Anglian Water sewer pipes becoming exposed to damage by the sea. Also implications if WWI/II bombs/mines present.

On-site investigations and reports have found that, as a result of erosion, mixing with sand and weathering, the oil now exists in a range of constituents from hard black stained relatively benign bound gravelly sand, to wet semi liquid dark brown oily sand with strong hydrocarbon odour. There is a comprehensive UXO assessment being done in two phases:

- Phase 1 study to identify location of the oil deposits.
- Phase 2.1 study delineating the site further and an estimate of quantities of the buried oil. It falls under the classification of hazardous waste and would have to be treated as such for any removal.

Hydrock has a good idea of UXO in the area studied and where large deposits of material are buried. Hydrock has given a broad idea of quantities but with many assumptions made and likely inherent inaccuracies. The acute risk is the possibility of further viscous oil exposure as a result of high tides and storms, however, this is managed and mitigated by fortnightly visual inspection of the deposits and a consistent recording of any changes. There is a working plan with ESSL to prevent public access to any exposed viscous oil and provision of further signage. ESC is liaising with CEFAS who offered assistance in reviewing the terms of the contract with Hydrock for further works. In the previous year no public queries were made about the oil deposits. It is recommended that Hydrock should be asked to do further investigation and testing to determine human, water and marine receptors, and an assessment under Part 2A EPA 90 to establish our responsibilities to human and ecological health, as per the existing contract.

**Failure to manage impact of Sizewell C**

**(Amber C3, significant likelihood, major impact)**

Risk relates Sizewell C and its impact on the area including environmentally, to the local economy and housing. Concerning the planning status, the decision on the Development Consent Order (DCO) application was approved by Government. Deed of Obligation signed with the applicant to ensure there is a mitigation and compensation package in situ. The first tranche of funds from the Deed of Obligation has been provided to ESC to begin recruitment to identified posts with an anticipated commencement of the development in Quarter 1 2024. The target score is green D4 (low likelihood, marginal impact) and senior officers and members are working with communities to maximise potential whilst minimising the impacts. This includes ensuring economic advantages to the local economy

relating to the creation of jobs and training and infrastructure. A hothouse involving Planning, Economic Development and Regeneration, Communities and Housing was held in Autumn 2023 to consider impacts of development within East Suffolk.

**Safeguarding – ESC policies and processes fail in identifying vulnerable children, young people and adults at risk and ensuring they receive appropriate help from the relevant organisations, including via the Multi-Agency Safeguarding Hub (MASH), when safeguarding concerns are identified**  
**(Amber C3, significant likelihood, major impact)**

This risk relates to those who are vulnerable and are unable to receive the help needed due to not meeting the high threshold criteria of the Multi-Agency Safeguarding Hub (MASH) and other organisations despite being vulnerable and in need of safeguarding for a variety of reasons. Our priority is to ensure that all safeguarding concerns identified by councillors, staff and delivery partners are appropriately reported and feedback is received on the outcome of referrals.

ESC continues to liaise with other Suffolk authorities to try to address the gap in terms of thresholds and feedback loops. A corporate Services for All Group provides oversight of safeguarding and Equality and Diversity, and training had been delivered to staff and councillors to ensure compliance with policy and legislation and awareness of reporting procedures. Additional resources have been identified to oversee safeguarding referrals from ESC staff and councillors (which are recorded internally as well as on the MASH referral form) and an overview of referrals (including the person and team making the referral and referral reason(s)) is considered by the Services for All Group and concerns escalated through the CLT Governance meeting as part of improving our processes to ensure that ESC is tackling this risk effectively. Feedback on the outcome of referrals is still a gap, as is identifying pathways for the referrals made under safeguarding processes that relate to concerns about mental health and capacity where there is no abuse or risk of abuse and that are therefore not picked up through the MASH process.

This risk also includes the Council's statutory duty to only licence, and permit to remain licensed, fit and proper persons and the risks associated with not always being notified promptly, or at all, when drivers are under investigation or arrested on suspicion of criminal act(s). Controls include a single point of contact with the police for disclosure/information sharing. There are ongoing discussions between the Council and the police to seek to ensure that the information that the Local Licensing Authority needs to fulfil its statutory duty is disclosed in a timely manner. The target score is green D4 (low likelihood, marginal impact) and will be reviewed to assess progress.

**Failure to effectively deliver the Accountable Body for Freeport East**  
**(Amber C3, significant likelihood, major impact)**

Freeport East was announced in March 2021 as one of eight Freeports in England. It became a 'live' Freeport in December 2021 after Government approved the Outline Business Case (OBC) and the three Tax Sites and seven Customs Sites. East Suffolk Council is the Lead Authority and Accountable Body. There is currently lack of guidance from DLUHC regarding subsidy control and business rate reliefs, and direct contact with the Accountable Body. There is also a shortfall in funding to cover operational costs and forward investment until business rates income is

realised. Controls to manage this risk include a Freeport East Supervisory Board established which meets bi-monthly; an Audit and Finance Committee is in place and business cases for seed capital funding will be signed off by the Chief Finance Officer for the Accountable Body this includes being satisfied that the Subsidy Control Assessments have been completed. The target score is E2 (amber) and will continue to be reviewed.

**Risk to life from fire incident(s) in social and temporary housing assets**  
**(Amber D1, low likelihood, catastrophic impact)**

Risk was previously named 'Risk to life from fire spreading through St Peter's Court' but has now evolved to cover risk to life from fire incidents in multiple high risk social and temporary housing assets. These include St Peter's Court (high rise block of flats), retired living schemes and some Temporary Accommodation. Recent Fire Risk Assessments and safety surveys identified remedial works required to rectify significant breaches to internal fire compartmentation and defects to cross-corridor fire compartmentation (fire doors). On St Peter's Court uncertainty remains around the fire performance of the External Wall Insulation (EWI), which is also incorrectly installed. These factors could combine to create a multi-casualty event. Remedial works undertaken on St Peter's Court has lowered the Fire Risk to from Substantial to Moderate. Suffolk Fire and Rescue Service issued formal Notices of Deficiency (NOD) and Enforcement Notices on several buildings. Failure to resolve this risk could lead to enforcement or prohibition action.

A number of controls are in place including monthly monitoring by the Housing Health and Safety Board to ensure actions from FRA's are completed within agreed timescales; weekly meetings are held by operational teams to manage compliance work programmes; Annual Risk Assessments are carried out by a competent, external Fire Risk Assessor; and an Evacuation strategy is reviewed in liaison with partners, including the Fire Authority and competent Fire Risk Assessors. In St Peter's Court, a Fire Suppression system (sprinkler system) was installed in individual dwellings. Statutory guidance and regulations are in place; Regulatory Reform Fire Safety Order 2005, Fire Safety Act 2021, Building Safety Act 2022. An Asset Review of St Peter's Court has highlighted that this 50 year old building is reaching end-of-life. Cabinet has decided to implement a 12-month programme to re-house all residents living in St Peter's Court, with a view to the building being demolished and the site re-developed.

Target actions include the removal of St Peter's Court from our housing stock, and for other high-risk buildings to invest in necessary works to maintain the building in accordance with legislation, so the risk of fire spread is effectively managed. The target score is D4 green and is expected to be achieved.

**A sustainable Medium Term Financial Strategy (MTFS) for the General Fund, Housing Revenue Account (HRA) and the Capital Programme**  
**(Amber D2, low likelihood, critical impact)**

Risk continues to reflect financial uncertainty around national Government initiatives and funding to local government, delivery of key projects, and the economic outlook including pressures from the cost-of-living crisis and inflation (including pay pressures). New compliance and regulatory requirements are creating cost pressures for the HRA. Inflation continues to affect the delivery of the capital programme in terms of timing and costs. This risk also incorporates the

delivery of a balanced annual budget and financial governance. The Corporate Leadership Team works with Cabinet to develop and implement plans to deliver a sustainable balanced budget. Work continues to identify savings and income generation, and the delivery and monitoring of key projects to achieve and maintain financial sustainability. The annual budget is approved by Full Council annually in February and the MTFS position is continuously reviewed, and assumptions updated. An updated of the draft MTFS was reported to Cabinet on 7 November 2023 with the next update to be reported to Cabinet on 2 January 2024. Target score is D4 green (low likelihood and marginal impact).

**Risk to the medium-term financial sustainability of the HRA**

**(Amber D3, low likelihood, major impact)**

New risk added focusing on the financial pressure on HRA budgets and potential funding available to deliver all services and programme. Risk relates to the housing development programme to build new social housing stock, capital programmes to retrofit all social homes for EPC 30 by 2030 and zero carbon by 2050, and assuring tenant safety with a sizeable investment in the safety of our buildings, particularly fire safety (to resolve a breach of the Homes Standard). Controls and mitigations are in place and a review of the 30-year HRA Business Plan has been completed and used to inform budget-setting. A new Housing Health and Safety Board also oversees capital expenditure for safety and compliance. Target score is D4 green (low likelihood and marginal impact) which will be reviewed by September 2024.

**Failure to deliver against our 2030 Carbon Neutral target**

**(Amber C4, significant likelihood, marginal impact)**

Risk relates to failure to deliver against net zero greenhouse gas emissions target. As part of this risk climate change is recognised as a high-level priority for the Council and is specifically identified within the 'Environmental Impact' Theme in 'Our Direction 2028'. The ESC Climate Action Framework and Annual Greenhouse Gas reports include milestones to work towards the Council becoming net zero by 2030. ESC is part of the Suffolk Climate Emergency Plan groups and Suffolk Climate Change Partnership and is working towards the aspiration of making Suffolk net zero by 2030 with SCC and other partners across the county and region, including Public Sector Leaders. ESC continues to actively bid for funding as opportunities emerge, take advantage of new low emissions technologies. It also continues to work with Government to deliver its 25-year Environmental Plan and increase the powers and resources available to local authorities in order to make the 2030 target achievable. It is also measuring renewable energy generated on the Council's own estate. The target score is green F5 which will continue to be monitored as work progresses on the delivery of the Climate Action Framework. An updated decarbonisation plan is currently being scoped.

**Failure to meet legal requirements of Health and Safety of employees and others**

**(Amber D3, low likelihood, major impact)**

Statutory duty of the Council to ensure legal requirements relating to health and safety are complied with and met. Health and safety management audits undertaken in 2022 identified areas where further support is required, and this will be provided to managers. An annual programme of health and safety related tasks (e.g. display screen equipment user assessments) has been reintroduced to assist managers to manage health and safety within the scope of their responsibility. A health and safety induction session is being developed for all new starters to

complete in their first week of employment. The Council's statutory Health and Safety Policy has been revised and previously implicit responsibilities have been made explicit. The target risk score is green D4 (low likelihood and marginal impact) and is achievable if managers implement the necessary controls identified following suitable and sufficient risk assessment.

**Loss of public confidence due to failure to adhere to member and officer code of conduct and promote and maintain Ethical Standards**  
**(Amber D3, low likelihood, major impact)**

Due to the importance of maintaining and promoting Ethical Standards this risk remains a corporate risk. The Council's Audit and Governance Committee has a statutory duty to promote and maintain high standards of behaviour. Regular reports are made to the Committee about standards matters. Declarations of interests, gifts and hospitality are made and monitored. The LGA Model Code of Conduct was adopted by East Suffolk Council on 23 March 2022, with effect from 1 May 2022. Member training on the Code has been provided. The target score is E4 (green).

**Green Risks:**

**Physical and mental health wellbeing (staff and members)**  
**(Green D4, low likelihood, marginal impact)**

Mental and physical wellbeing of staff and members continues to be a significant risk and included as a corporate risk. Controls and mitigations are in place to ensure support and counselling is available for all, including comprehensive details held on the Council's intranet and mental first aiders. The target score of D4 green has been achieved and this risk will continue to be reviewed.

**Impact of potential pandemic outbreaks on service delivery**  
**(Green D4, low likelihood, marginal impact)**

Risk relates to potential pandemic outbreak. Continuity plans are in place and constantly reviewed to ensure that services operate effectively. Target risk is green D4 (low likelihood, marginal impact).

**Failure to implement the new Equality, Diversity and Inclusion Action Plan**  
**(including areas of improvement identified in Equalities Framework self-assessment and Anti-Racism Charter Action Plan (Green D4, low likelihood, marginal impact))**

Risk relates to implementation of a new Equality, Diversity and Inclusion Action Plan and ensuring that gaps and areas for improvement identified in the Equality Framework for Local Government self-assessment and Anti-Racism Charter Action Plan ensuring that the Council is fully compliant with meeting legislative requirements or achieve its equalities ambitions. Significant work has taken place including two staff workshops to inform the development of a new EDI Action Plan. Also Equality Impact Assessments are an integral part of decision making. Policies and procedures are also in place (e.g. Equality and Diversity Policy). Progress is regularly reported to CLT. Due to significant work the risk is green (D4) and following completion will be reviewed to ascertain whether it has met its target score of E4 green.



**Frontline services not delivered if significant delivery contracts/partnerships fail (Green D4, low likelihood, marginal impact)**

Risk relates to significant delivery contracts and partnerships. East Suffolk Services was successfully created and came into effect from June 2023 following an extensive programme to ensure its smooth transition of services. Partnership boards are established for all significant partnerships. Target score of Green D4 is being met and will continue to be reviewed and monitored.

**Overview of Risk Ratings:**

A summary of the current and target risk scores along with the projected direction of travel is detailed below. Appendix C displays all corporate risks against the risk matrix.

Risk	Current	Target	Direction of Travel
Failure to deliver import checks required in new Target Operating Model	Red	Amber	→
Incident management – flood risk	Red	Amber	→
Major coastal erosion or coastal incident	Red	Amber	→
Cost of living crisis	Amber	Amber	↓
Subsidy control compliance and reporting	Amber	Green	→
Capacity to deliver Council’s aims and ambitions	Amber	Amber	↑
Flooding / tidal surges (Lowestoft only)	Amber	Green	→
Housing Regulation - Breach of the Rent Standard and the ‘Home’ Consumer Standard	Amber	Green	→
Cyber-attacks (Cyber Security Resilience)	Amber	Amber	↑
Recruitment of staff	Amber	Green	→
Oil deposits on Gunton Beach	Amber	Green	→
Sizewell C	Amber	Green	→
Safeguarding – failing to protect the most vulnerable	Amber	Green	↑
Accountable Body for Freeport East	Amber	Amber	→
Fire incident(s) in social and temporary housing assets	Amber	Green	↑
Medium Term Financial Strategy (MTFS) including delivery of balanced Annual Budget	Amber	Green	↓
Risk to medium-term financial sustainability of the HRA	Amber	Green	→
Carbon Neutral target (203)	Amber	Green	→
Health and Safety	Amber	Green	→
Ethical Standards	Amber	Green	↓
Potential pandemic outbreaks delivery	Green	Green	↑
Significant contracts/partnerships	Green	Green	↑
Physical and mental health and wellbeing	Green	Green	↑
Equality, Diversity and Inclusion Action Plan	Green	Green	→
<b>New Risk:</b>			
Anti-social behaviour incidents increasing	Amber	Green	n/a

**3 How to address current situation**

3.1 Ensure that robust risk management procedures and processes meet the needs of the Council in continuing to provide good governance, ensuring risk processes continue to manage risks and allow for identification of new and emerging risks.

3.2	Ongoing review and monitoring of corporate risks with ownership by Corporate Leadership team.
3.3	Continue to deliver training on risk management as and when required.

#### 4 Reason/s for recommendation

4.1	To provide assurance to Members that good governance arrangements are in place to manage and monitor risks within the Council. Risks are reported and reviewed regularly at Corporate Leadership Team meetings. Training continues to be delivered on risk management and a Horizon Risk Challenge session recently facilitated by Zurich Insurance to challenge and provide an external view on our risk management processes.
4.2	Members are fully informed of the current corporate risks within the Council and provided with information on what has been achieved and reasons as to why they are strategic risks, including current risks scores and target risk scores.

## Appendices

### Appendices:

<b>Appendix A</b>	Risk Management Process/Toolkit
<b>Appendix B</b>	Risk Management Framework
<b>Appendix C</b>	Corporate Risks on matrix

### Background reference papers:

None
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# Risk – and opportunity – management process and toolkit

This process is used to manage corporate, service, project, business case, and partnership risks and opportunities.

<b>Roles</b> All members and officers have a responsibility to manage risk in their work. There are also specific responsibilities:	
<b>Cabinet</b>	Consider risk when making decisions. Review key risks
<b>Audit &amp; Governance</b>	Review strategy
<b>Corporate Leaders Team (CLT)</b>	Manage corporate risks. Escalate risks to CLT. Move corporate risks into team or service registers. Raise risks at meetings.
<b>Team Leaders</b>	Manage own risks. Update senior managers Escalate risks



## Step 1: Identify

Do this at least once a year

- Look at the Strategic plan/business plans, especially priorities. What might stop your team delivering the Council's priorities – or delivering your service plan?
- Consider the types of risk
- Brainstorm with colleagues
- Examine trends, Analyse last year's problems
- Review information from other councils / situations
- Be aware of new initiatives / agendas & regulations
- What opportunities are there?

Do this frequently

- What might stop you delivering your service?
- Review situation. Brainstorm with team.

**Step 1: Categories: Types of risk / opportunities** (with examples full details in East Suffolk Risk and Opportunity Management Strategy): *What if...?*

<b>Political</b>	Change of political control locally or nationally
<b>External</b>	Changes outside the council's control
<b>Assets</b>	Property – land, buildings, and equipment
<b>Economic &amp; Social</b>	Recession, deprivation, population growth, ageing population, changing demographic of area
<b>Social</b>	Population growth; aging population
<b>Governance</b>	Compliance requirements; controls
<b>Communication &amp; Relationships</b>	Failure of systems; potential new partnerships
<b>Legislative or Regulatory</b>	Fail to meet requirements; law changes, legislation
<b>Customers</b>	Changing needs and expectations; poor quality/reduced service delivery
<b>Partnerships</b>	New initiatives, ways of working, policies/procedures, new relationships
<b>Financial</b>	Impact on budget; financial management regulations; interest rate change; financial loss; arrangements
<b>Strategic / operational</b>	Fail to meet Strategic Plan or team objectives
<b>Resources (incl. HR, IT, Finance)</b>	Staff illness; succession planning; system failure; new software; budget cut
<b>Legal</b>	Breach of contract; improved terms
<b>Environmental</b>	Extreme weather events; floods; good summer
<b>Roles &amp; Responsibilities</b>	Using staff skills; lack of qualified staff
<b>Stakeholders &amp; Relationships</b>	Disagreements; changed priorities

## Step 2: Analyse - Capture the main elements to a risk or opportunity

<b>Cause</b>	If / As a result of...	<b>As a result of</b> bad weather
<b>Event</b>	Then / There is a risk that...	<b>there is a risk that</b> staff will not be able to get to the office to do their work
<b>Effect</b>	So / Which will result in...	<b>which will result in</b> unhappy service users and increased complaints

For information on risk management, performance & policy, contact [Stacey.ransby@eastsoffolk.gov.uk](mailto:Stacey.ransby@eastsoffolk.gov.uk) 01394 444232, Digital and Programme Management  
Updated: Sept 2023

**Step 5 - Monitor**

Review the Register with colleagues (for example, as part of your Service Plan) at least quarterly

- What has changed?
- New risks or opportunities?
- Need to report or escalate risks?
- Have rankings changed?

**Step 4 – Mitigate**

- Assess current actions and controls: Are they adequate or more needed?

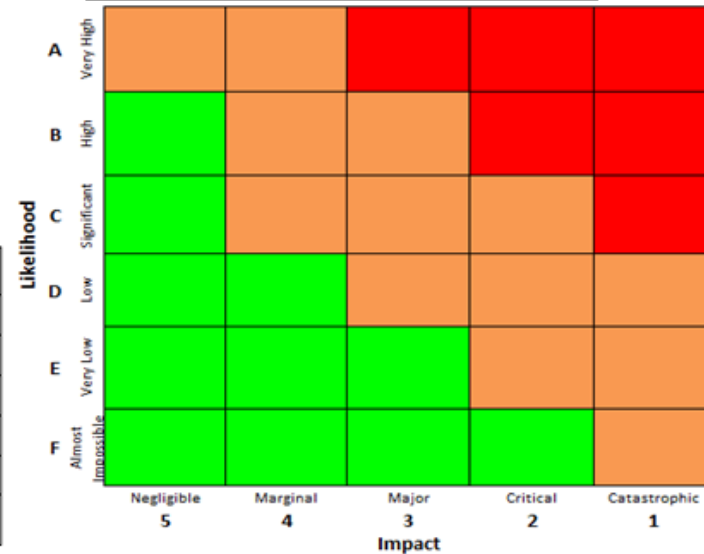
**Treat – Accept - Terminate - Transfer**

- Within your Service Plan - develop specific SMART actions that will either reduce the likelihood of the risk or minimize the impact – or maximize an opportunity and increase its likelihood.
- What should score be after taken action taken?
- Should this risk be escalated?



**Step 3 – Prioritise using matrix below**

- How likely is this? How soon might it happen?
- How big an impact will it have?



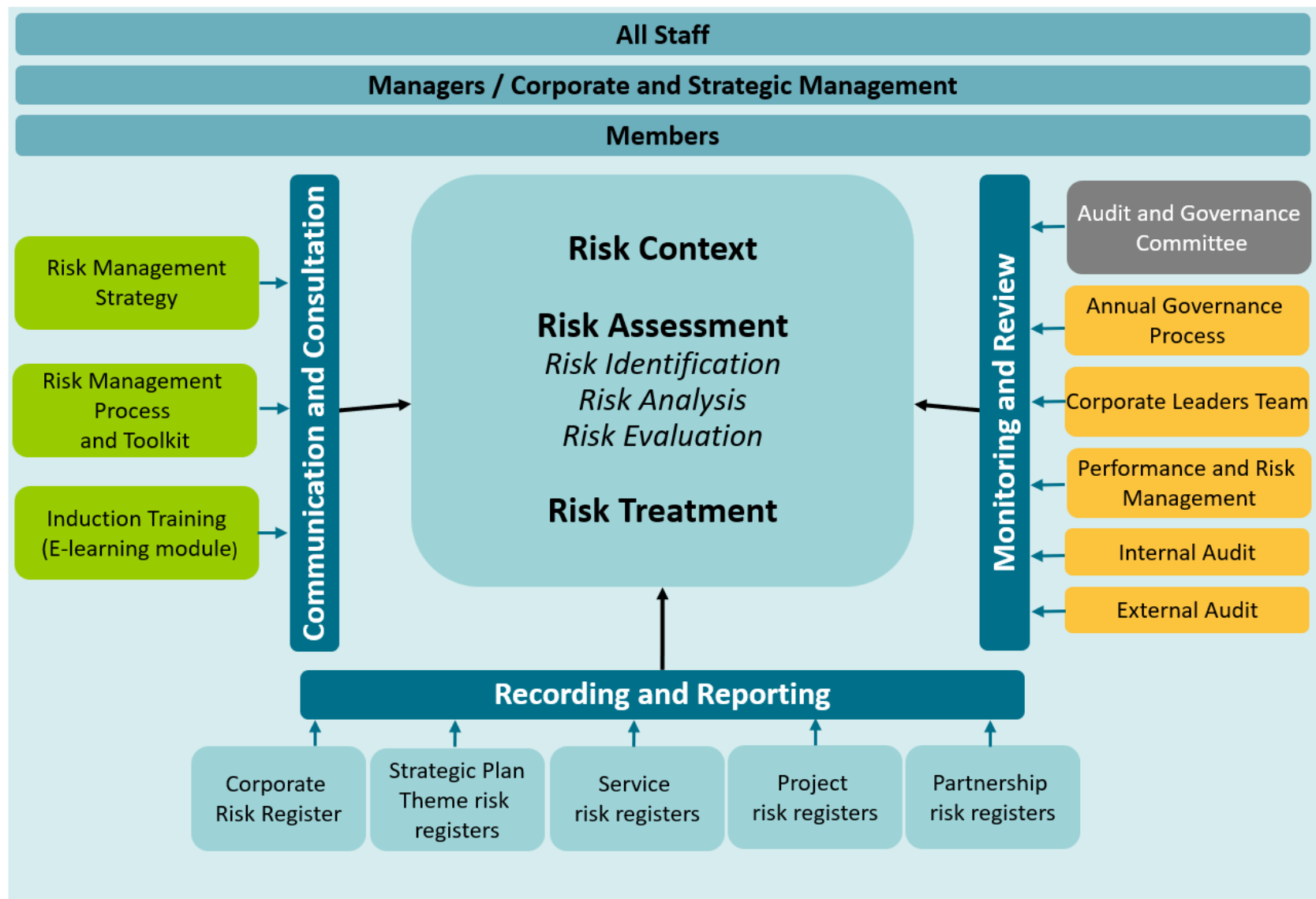
Likelihood	%	Description	Proximity/ Timing
A Very High	90%	Event is very likely to occur.	Within current financial year
B High	60% - 90%	Strong possibility the event will occur.	Will occur at least once per year
C Significant	30% - 60%	Will probably occur in most circumstances	Will occur within next 4 years
D Low	15% - 30%	Risk event likely to occur at some time.	Likely to occur once in 4 to 6 yrs
E Very Low	5% - 15%	Risk event could occur at some time.	Likely to occur within 6 to 10yrs
F Almost Impossible	0% - 5%	May occur only in exceptional circumstances. Extremely unlikely or virtually impossible.	May occur once within 10 to 50 yrs

Impact	Service / Operational	Project or programme	Strategic	Financial	Opportunity
1 Catastrophic	Service suspended long-term or taken over. Statutory duties not delivered.	Milestones missed; key deliverables not achieved.	Corporate objectives not met; Mass staff leaving/unable to attract staff. Remembered for years, mentioned in Parliament.	In excess of authority's available balances, finances/ reserves wiped out.	Significant performance improvement, savings or income of 70%, service transferred.
2 Critical	Service suspended medium-term or taken over temporarily. Key objectives missed.	Project reduced/suspended in the medium-term. Major milestones & KPIs missed (red)	Statutory requirements not met. Industrial action, adverse national publicity.	£5m and above	Service transferred, savings/income 50%-70%
3 Major	Service reduced / suspended short-term / taken over for a minimal period. Key objectives or KPIs missed (annual - red) within one team/ service, or more than one service affected.	Project delayed / suspended short-term. Some major <u>milestone</u> , or KPIs missed (red).	Industrial action, adverse local and national publicity.	Over £1m less than £5m	Part of service transferred savings/income 30%-50%.
4 Marginal	Service slightly reduced Within one team/service some objectives or KPIs missed (amber annual, red quarter).	Project slightly delayed Some objectives or KPIs missed (amber).	Adverse local media, impact on an external inspection (s), some hostile relationships and minor non-co operation.	Over £½m less than £1m	Positive local media, financial impact 10%-30%, all PIs met, some partnership working.
5 Negligible	No impact on annual service, <u>performance</u> or team objectives.	No impact on: final project due date, performance or objectives.	No effect on morale No effect on reputation or partnership. No media attention.	Less than £½ m	No impact on team objectives or performance. Financial impact below 10%.



# Risk Management Framework

In accordance with ISO 31000:2018 guidance



### Corporate Risk Register

Likelihood	Very High (A)					
	High (B)			14, 17	5, 20	19
	Significant (C)			8, 11, 16, 23, 24	2, 9, 15, 21, 25	
	Low (D)	1, 6, 10, 12	3, 7, 18, 22	13	4	
	Very Low (E)					
	Almost impossible (F)					
		Negligible (5)	Marginal (4)	Major (3)	Critical (2)	Catastrophic (1)
		Impact				

### Current Risks:

Governance / CLT (Governance)

- (1) Potential outbreak of pandemics\*
- (2) Capacity to deliver Council's aims/aspirations
- (3) Ethical Standards
- (4) Fire incident(s) social & temporary housing assets
- (5) Import checks req'd in Target Operating Model
- (6) Physical and mental wellbeing
- (7) Health and safety
- (8) Recruitment
- (9) Housing Regulation Breaches
- (10) Equalities
- (11) Accountable Body for Freeport East

Environment

- (19) Flood risk\*
- (20) Major coastal erosion/incident\*
- (21) Flooding/tidal surges (Lowestoft)
- (22) Carbon Neutral
- (23) Oil deposits on Gunton Beach\*

Economy

- (24) Sizewell C\*

Financial Sustainability / CLT (Financial)

- (12) Contracts/Partnerships (under review)
- (13) Sustainable MTFS (for General Fund, HRA & Capital Programme)
- (14) Subsidy Control Compliance and Reporting

Digital

- (15) Cyber attacks (ICT failure)\*

Enabling Communities

- (16) Safeguarding the vulnerable
- (17) Cost of living crisis\*
- (18) HRA (MTFS) funding to deliver services & progs
- (25) Anti-Social behaviour

Reference:  
\* Risks with external threat