



Report to:	Audit Committee	Date:	11 January 2018
Report title:	Risk Register Review		
Report from:	Gerald Almeroth - Strategic Director Resources and Jessica Crowe, Assistant Director, Customers Commissioners and Governance		
Ward/Areas affected:	Borough Wide		
Chair of Committee/Lead Member:	Councillor David Hicks		
Author(s)/Contact Number(s):	Sam Barker, Head of Corporate Commissioning, 020 8770 5141		
Corporate Plan Priorities:	<ul style="list-style-type: none"> • An Open Council • A Smart Council 		
Open/Exempt:	Open		
Signed:		Date:	22 December 2017

1. Summary

- 1.1 The Committee are asked to review and comment upon the latest corporate risk register shown as Appendix A. In order to ensure effective corporate oversight of key organisational risks the Council's recently updated risk management strategy requires the the corporate risk register to be reviewed at Audit Committee on a regular basis.

2. Recommendations

The Audit Committee is recommended to:

- 2.1 Note the new risks added to the register - major incident and alternative delivery model failure
- 2.2 Review, consider and comment on the corporate risk register
- 2.3 Suggest any new risks to be added or escalated to the corporate risk register
- 2.4 Consider the Council's overall risk statement

3. Background

- 3.1 As part of the internal audit annual work plan in 16/17 an advisory review of Sutton's Risk Management Strategy, process and risk registers has been completed.

- 3.2 A number of actions were identified as part of the review, the majority of which have now been implemented including updating the Council's Risk Management strategy and Guidance, arranging risk management training for key staff, ensuring there is alignment between the corporate and directorate risk registers and ensuring that risks are reviewed regularly and mitigation put in place. The remainder of the actions are on track to be implemented by March 2018, including risk management training for relevant officers.
- 3.3 To ensure that there continues to be a Council-wide overview of key risks, the corporate risk register will be reviewed by audit committee on a regular basis. The review should focus on:
- Any new risks identified over the last three months to be added to the risk register
 - Any significant changes to risks, the reasons for this and the mitigation to be put in place
 - Additional risks to be considered; or escalated to the corporate register, going forward
- 3.4 A risk statement, summarising the key risks; and dependencies between risks, has been produced.

4. Issues

New Risks

- 4.1 There are currently 14 risks on the corporate risk register. Since it was last reviewed the following risks have been added:
- 4.2 CORP RR 11 - Compromised emergency management provided by the Council during a major incident, with an inability to support the emergency services and affected community, resulting in damage to reputation, legal action and financial penalties.
- 4.3 This risk has been added as although it is scoring low because the Council's emergency management plans are believed to be robust, it has been added following the Grenfell fire tragedy and the terror incidents earlier in the year, on the basis that, the impact, should it occur would be extremely high.
- 4.4 CORP RR 12 - Alternative Delivery Models failure - The move towards a mixed economy of service delivery models (shared services, outsourcing, LATCs, spin outs). Inability to effectively contract manage commissioned services as a result of under resourcing contract management and clienting arrangements, particularly during the mobilisation and early stages of new contracts.

Significant changes

- 4.5 PEO RR 10 (ASC) - Homecare and Domiciliary care overspend risk has decreased slightly. Whilst this area has significant budget pressures, which are currently being eased by the Better Care Funding (BCF) when this finishes the council will be in the position of overspending.



- 4.6 The recent Homecare tender has resulted in prices being at the lower end of what was predicted but higher than we currently pay. Whilst this is lower than previously modelled, it still poses a significant risk.
- 4.7 There have been no other significant changes in the level of risk for any of the risks currently on the corporate risk register.

Overall Risk Statement November 2017

- 4.8 The Chief Executive and Corporate Management team (CMT) are ultimately accountable for ensuring that risk management is fully embedded in the Council's business planning and monitoring processes as well as having overall accountability and responsibility for leading the delivery of the Council's Risk Management Strategy and Framework. CMT take a leading and proactive role in ensuring that risks are managed effectively and that risk management is communicated, understood and implemented by Councillors, managers and staff.
- 4.9 The Corporate Management team last considered the Corporate Risk Register on 22 November 2017, this statement from the Chief Executive summarises the key risks to the organisation and actions required to mitigate these¹.
- 4.10 The Council continues to face unprecedented financial pressures as a result of grant reductions, new (and sometimes underfunded) burdens from central government and increased demand for services as a result of demographic pressures. There are a number of areas where there are growing risks to the Council's ability to meet its statutory obligations, including Homelessness, SEN provision, homecare adult services and services for Looked After Children. It should be noted that these pressures also impact on risk levels in other areas for example there is an increase in risk related to health and safety as the workforce will be more likely to come into contact with people with higher needs and very acute issues. The knock-on risks arising from these financial pressures will continue to be monitored closely over the short to medium term, including recruitment and retention of qualified staff.
- 4.11 Given the level of savings required in the medium term it is acknowledged that it will not be possible to mitigate the impact sufficiently so as not to have a significant impact on service delivery. Even with work currently ongoing, including the Sutton Plan, various reform programmes and Health and Social Care Integration the Council envisages that there will at least be a moderate impact going forward, the target risk level has therefore been increased accordingly.
- 4.12 The delivery of Health and Social Care integration has been acknowledged by both the Council and CCG as vitally important and failure to extract economy and efficiency through further integration would have significant implications for all of the services, including the potential for significant service failure. Integration is integral to the NHS's Sustainability and Transformation Plan and a key priority for the delivery of the Sutton Plan.

¹ The statement is reported to members as part of the Risk report to Audit Committee and the Performance and Finance Report to Strategy and Resources Committee.



- 4.13 The Council’s preparedness to respond to a catastrophic incident has been tested and is believed to be robust, mitigation will continue to be monitored closely. The Council and our wider partners in resilience will continue to train, test and exercise our response.
- 4.14 A new corporate risk has emerged around the increased complexity involved in overseeing and managing the various delivery models (shared, outsourced, spun out) that are now delivering services on behalf of Sutton Council. This risk and steps to mitigate it will be assessed and added to the risk register and these risks are being actively managed.

5. Impacts and Implications

Financial

- 5.1 Effective risk management helps to ensure that the Council makes good use of its resources. There are no specific direct financial implications arising from this report.

Legal

- 5.2 None

6. Appendices and Background Documents

Appendix letter	Title
A	Corporate Risk Register

Background documents
Risk Management Strategy and Guidance

Audit Trail		
Version	Final	Date: 21 December 2017
Consultation with other officers		
Finance	Yes	Phil Crow
Legal	Yes	Fiona Thompson
Equality Impact Assessment required?	No	N/A