

Risk management

Operational risk register

Quarter 4 – January to March 2022

Operational Risks

Operational risks are those short-term risks that are encountered in the course of the day-to-day delivery of services and functions. Individual operational managers will have responsibility for their own operational risks. The Management Team will be responsible for monitoring the operational risk register.

The Council's operational risks are detailed in below table:

<u>OR1</u>	<u>Price fluctuations in the recycling market</u>
<u>OR2</u>	<u>Waste and Resources Strategy</u>
<u>OR3</u>	<u>Oak Processionary Moth</u> (closed in Q2 2021/22)
<u>OR4</u>	<u>Governance</u>
<u>OR5</u>	<u>Data protection and information governance</u> (closed in Q2 2021/22)
<u>OR6</u>	<u>Disaster recovery</u>
<u>OR7</u>	<u>Leisure centres</u> (closed in Q3 2021/22)
<u>OR8</u>	<u>PCI DSS</u>
<u>OR9</u>	<u>HMRC's Business Risk Reviews</u>
<u>OR10</u>	<u>Employment tribunal ruling</u>
<u>OR11</u>	<u>Resourcing of Human Resources/Organisational Development</u>
<u>OR12</u>	<u>Community centres</u> (closed in Q3 2021/22)
<u>OR13</u>	<u>2021 local elections</u> (closed in Q1 2021/22)
<u>OR14</u>	<u>CCTV</u>
<u>OR15</u>	<u>Voluntary and community sector partner failure or distress</u>
<u>OR16</u>	<u>Shortage of polymer in Europe</u> (closed in Q2 2021/22)
<u>OR17</u>	<u>Environmental Health: backlog of food hygiene inspections</u>
<u>OR18</u>	<u>Contracts and procurement</u>
<u>OR19</u>	<u>Increase in homelessness applications and B&B usage</u>
<u>OR20</u>	<u>Tax implications arising from the provision of home working equipment</u>
<u>OR21</u>	<u>Shortage of HGV drivers</u>
<u>OR22</u>	<u>Supply chain disruption</u>
<u>OR23</u>	<u>Health and safety: buildings compliance</u>
<u>OR24</u>	<u>May 2022 local elections</u>

Risk rating

Each risk is scored using the potential impact of the risk and the likelihood of the risk happening. The risk score then determines the level of management action required:

RED	Where management should focus attention. Immediate actions should be identified and plans put in place to reduce risk as a priority.
AMBER	Where management should ensure that contingency plans are in place. These may require immediate action and will require monitoring for any changes in the risk or controls. These will be a key area of assurance focus
YELLOW	These should have basic mechanisms in place as part of the normal course of management.
GREEN	Where risk is minimal if does not demand specific attention but should be kept under review.

Risk status

Tolerate	Decide to accept the risk and take no further measures. This should be a conscious and deliberate decision taken having decided that it is more cost effective to do so than attempt mitigating action.
Transfer	Transfer all or part of the risk. For example, to insurance or to other agencies/contractors.
Treat	Proactive action taken to reduce: <ul style="list-style-type: none">• The probability of the risk happening by Introducing control measures• The impact of the risk should it occur.
Close	This could involve changing an aspect of the activity or ceasing to provide the service/function/project and thus eliminate the risk.

RISK RATINGS

IMPACT						
Grave	5			OR6		
Significant	4		OR8	OR2 OR23		
Moderate	3		OR9	OR1 OR10 OR11 OR15 OR22	OR4 OR18 OR19 OR21	
Minor	2	OR7		OR12 OR14 OR20 OR24	OR17	
Almost none	1					
		1	2	3	4	5
LIKELIHOOD		Rare	Unlikely	Possible	More than likely	Almost certain

OR1		Price fluctuations in the recycling market		AMBER
Description		The Council receives income from the sale of recyclates. The market is international and volatile – price fluctuations can be sudden and result in a negative impact on the Council’s budget.		
Owner		Portfolio Holder	Cllr Bramhall	
		Officer	Frank Etheridge	
Controls		<p>The global recycling and commodities markets are largely outside of the Council’s control.</p> <p>However, the Council is able to secure more advantageous terms through joint contracts with other local authorities in the processing of recyclates to achieve economies of scale in the processing of materials.</p> <p>The Council is in contract for the sale of DMR materials collected, and – following a recent tender exercise – will be in contract for the sale of paper and card for four years from March 2021.</p> <p>An extension for the Contracts is being pursued for the sale of DMR and Paper</p>		
Mitigating actions/progress		<p>The import regulations introduced by China in 2018 continue to affect the global recycling market. Most of the income the Council receives from selling recyclates comes from cardboard and that is primarily sold to the UK paper market.</p> <p>Before the COVID-19 pandemic paper prices reached a negative value of £8 (meaning the Council had to pay to dispose of it). As of Q3 2021/22, however, prices have increased to approximately £91 per tonne, resulting from the increased demand for packaging.</p> <p>The budget for 2021/22 assumes that there will be no reduction in the financial transactions between Surrey County Council and this borough relating to recycled materials.</p> <p>The Government’s recently suggested Deposit Return Scheme for plastics (Part of the W&R Strategy), cans and glass will – if implemented – also impact upon the composition and value of the recycling streams the Council collects. See the risk on the Waste and Resources Strategy (OR2)</p>		
Score	Likelihood	Possible	Direction of travel	-
	Impact	Moderate		
Status		Treat/Tolerate		
Last update		19 January 2022		

OR2		Resources and Waste Strategy		AMBER
Description		<p>The government has recently launched a consultation on its Resources and Waste Strategy.</p> <p>The strategy – if adopted in its current form – will result in a significant change in the composition of the materials that the Council collects, which could have adverse budget implications.</p> <p>The strategy also proposes a range of changes to existing services and the introduction of new services which, if adopted, will likely result in further adverse budget implications.</p> <p>Moreover, the ongoing uncertainty of the changes could necessitate delays in investment decisions as well as on service enhancements and future operating models. This could hold the service back as it awaits clarity to ensure that such decisions cohere with any statutory changes.</p>		
Owner		Portfolio Holder	Cllr Bramhall	
		Officer	Frank Etheridge	
Controls		The Council will respond to all consultations and will liaise with partners in the Surrey Environmental Partnership.		
Mitigating actions/progress		<p>The Council responded to the first and second consultations and voiced its concerns over the adverse implications this would have if the strategy was adopted in its consultation form. The response was considered effective, with several other authorities in Surrey using this as a basis to submit their own response to the consultation.</p> <p>The Environment Bill passed into law in November 2021. The Act creates the statutory framework for the implementation of the Waste and Resources strategy, with the latter implemented via secondary legislation. The details of this are yet to be announced, however.</p> <p>The concern therefore remains that the strategy will have significant negative financial impacts upon the Council.</p> <p>Whilst any changes are expected to come into effect in financial year 2024/25, preparation for these changes will need to take place in the coming year, though until the strategy is formally adopted in legislation there is no basis for certainty.</p> <p>Funding has been announced for English local authorities to implement free food waste collection from all dwellings, with the government making £295 million available for this. The Council is awaiting information on how this funding may be drawn upon.</p>		
Score	Likelihood	Possible	Direction of travel	-
	Impact	Significant		
Status		Treat		
Last update		19 January 2022		

OR3		Oak Processionary Moth		CLOSED
Description		<p>Cases of Oak Processionary Moth (OPM) have been detected in the borough. OPM is a pest that affects oak trees and presents a hazard to human and animal health. The Council has a statutory responsibility to effectively manage the pest on land it owns. If left unchecked, OPM can spread rapidly; without effective management it is highly likely that it will spread further.</p> <p>Managing and removing Oak Processionary Moth is expensive and highly resource intensive. Early action is therefore required to prevent its further spread and avoid the high costs of mass removal and ongoing management.</p>		
Owner		Portfolio Holder	Cllr Bramhall	
		Officers	Morag Williams	
Controls		<p>Regular Risk assessments and inspections.</p> <p>Communicating the risks of OPM with tenants of Council owned land.</p> <p>The formation of an inhouse tree team with the expertise to manage OPM.</p>		
Mitigating actions/progress		<p>The Council is taking a proactive approach in the identification, management, and planned removal of OPM on Council owned land.</p> <p>It has been suggested in recent industry publications that the Forestry Commission will reduce the demands of managing OPM as it is recognised that it is now endemic in the South East of England.</p> <p>Appropriate signage and information are always put in place to warn the public of the possible risks.</p> <p>The risk from OPM is now recognised as an endemic issue and its management is now part of business as usual for the Council, with the controls implemented mitigating the risk. It was therefore recommended that this risk be closed in Q2 2021/22.</p>		
Score	Likelihood	N/A	Direction of travel	N/A
	Impact	N/A		
Status		Risk Closed		
Last update		28 October 2021		

OR4		Governance		AMBER
Description		<p>Historically there has been a general lack of understanding of corporate governance across the organisation and how this impacts the Council, as demonstrated, for example, by how decisions are made and authority exercised.</p> <p>Whilst understanding has recently improved, any recurrence could expose the Council to a range of sanctions and risks, including, but not limited to: challenges to decision making, judicial review, reputational damage, and poor service delivery.</p>		
Owner		Portfolio Holder	Cllr Schofield	
		Officer	Joyce Hamilton	
Controls		<p>Internal training to ensure officers understand the decision-making process.</p> <p>A review of the Constitution.</p> <p>Early Legal/governance engagement.</p> <p>Signposting to appropriate support and information.</p>		
Mitigating actions/progress		<p>The Legal Services Manager and Democratic Manager continue to support the Governance Task Group. The Task Group continues to meet regularly to discuss recommendations on improving governance matters; the recommendations are reported onto the Council's Monitoring Officer, Corporate Governance Group and Group Leaders.</p> <p>The review of the Constitution completed in December and was subsequently adopted by Full Council at the end of Q3.</p> <p>The new constitution has been cascaded to staff through the management team, with formal publication expected to be in Q4.</p> <p>Democratic Services have experienced resourcing issues during the year due to vacant posts and increased demands placed on the team. This will likely continue to be felt through the remainder of this financial year and may prove injurious to the delivery of governance work. This will continue to be closely monitored and action taken as appropriate.</p>		
Score	Likelihood	More than likely		Direction of travel
	Impact	Moderate		
Status		Treat		
Last update		26 January 2022		

OR5		Data protection and information governance		CLOSED
Description		New data protection legislation came into effect in May 2018. The Data Protection Act (2018) introduced a raft of new measures that organisations must comply with. The implications of breaching these measures are significant.		
Owner		Portfolio Holder	Cllr Schofield	
		Officer	Joyce Hamilton	
Controls		The implementation of a work plan to achieve data protection compliance. Advice from the Council's Data Protection Officer. Ongoing compliance monitoring.		
Mitigating actions/progress		The work plan to achieve data protection compliance has been fully implemented. The Council is now in full compliance with the Data Protection Act. For this reason, in Q2 2021/22 this risk was closed. Ongoing compliance will continue to be achieved and monitored as part of business-as-usual processes.		
Score	Likelihood	N/A	Direction of travel	N/A
	Impact	N/A		
Status		Risk closed		
Last update		9 November 2021		

OR6		Disaster recovery		RED
Description		<p>The Council has robust backup and replication of the majority of key applications located at Earlswood Depot. However, the time required to invoke the systems in the event of loss of ICT services at the Town Hall is currently unknown. The disaster recovery solution is also not sufficient to meet the Council's current needs.</p>		
Owner		Portfolio Holder	Cllr Lewanski	
		Officers	Darren Wray	
Controls		<p>Investment into improved Disaster Recovery systems.</p> <p>Business continuity plans.</p> <p>Disaster recovery test and exercise.</p> <p>Internal audit into disaster recovery.</p>		
Mitigating actions/progress		<p>A proposal for significant enhancements to the Council's back up and disaster recovery capabilities has been approved by the officer Organisation Board and Corporate Governance Group. These improvements will be delivered through the Council's new ICT strategy, due to be presented to the Executive in March 2022 for approval. Assuming approval, implementation of the strategy will commence in Q1 2022/23. Once implemented this will significantly mitigate this risk.</p> <p>Since March 2020 ICT have enabled remote access for all staff. We have also increased the size of our backup solution and have upgraded internet links to the Town Hall and Earlswood Depot. This strengthens the invocation of the disaster recovery system, though capacity issues remain.</p> <p>Plans have been put in place to utilise Earlswood Depot as the Council's recovery site if required. Service business continuity plans have also been reviewed and the Council's strategic business continuity plan has been updated to reflect the current reasonable worst case planning assumptions.</p>		
Score	Likelihood	Possible	Direction of travel	-
	Impact	Grave		
Status		Treat		
Last update		17 January 2022		

OR7		Leisure centres		CLOSED
Description		<p>The COVID-19 pandemic has required leisure centres to close which has had adverse revenue implications for our provider. These issues may continue in the months following the easing of lockdown restrictions.</p> <p>There is therefore a risk that the Council may be required to implement an alternative delivery model for the borough's leisure centres. Should this risk occur it could result in negative cost and service delivery implications.</p>		
Owner		Portfolio Holder	Cllr Sachdeva	
		Officers	Duane Kirkland	
Controls		<p>Regular engagement with the current provider.</p> <p>Protection provisions within the existing service contract.</p> <p>Explore alternative methods for service delivery where necessary.</p>		
Mitigating actions/progress		<p>The borough's leisure centres have now fully reopened and have seen an increase in user numbers which are now similar to the pre-pandemic peak. Positive discussions continue with GLL.</p> <p>The management fee for the centres will be paid in 2021/22 and resumed for subsequent years thereafter.</p> <p>The risk of contract failure is therefore greatly diminished. For this reason, this risk was closed in Q3 2021/22 reporting.</p>		
Score	Likelihood	Rare	Direction of travel	↓
	Impact	Minor		
Status		Risk Closed		
Last update		24 January 2022		

OR8		PCI DSS		AMBER
Description		<p>PCI DSS is the worldwide Payment Card Industry Data Security Standard; it was established to help businesses process card payments securely in order to reduce fraud. The standards apply to all services that take card payments online, in person and over the telephone. PCI DSS covers technical security as well as physical processes.</p> <p>PCI DSS was updated on 1 February 2018; the standard is now compulsory instead of advisory. The Council is not fully compliant with the new standards, though an action plan is in place to achieve full compliance.</p> <p>Non-compliance can result in a fine of between £5k and £50k per month of non-compliance. In addition, credit/debit card providers may withdraw our ability to process their card payments.</p>		
Owner		Portfolio Holder	Cllrs Lewanski and Schofield	
		Officers	Pat Main and Darren Wray	
Controls		<p>A programme of work to ensure compliance.</p> <p>PCI DSS will be audited by the Council's internal auditors once the programme of work has completed to ensure full compliance.</p>		
Mitigating actions/progress		<p>NTA Monitor undertook a PCI DSS Compliance review in March 2018 and were subsequently commissioned to provide consultancy support. The implementation of the resulting action plan is being managed by a working group. All activities have been delivered except for updates to the automated telephony payment system (ATP). A new supplier has been chosen for ATP, however due to supplier delay the project cannot start until Q1 2022/23.</p> <p>Full compliance is now expected in Q3 2022/23.</p> <p>An internal audit on PCI DSS compliance will follow once full implementation has completed.</p>		
Score	Likelihood	Unlikely	Direction of travel	-
	Impact	Significant		
Status		Treat		
Last update		17 January 2022		

OR9		HMRC's Business Risk Reviews		AMBER
Description		<p>HMRC recently introduced its new Business Risk Review (BRR) regime which assesses the tax compliance risk profile of an organisation. The introduction of the new regime will mean that HMRC will be focusing more heavily on public sector compliance with its Corporate Criminal Offence requirements. The latter refers to the possibility of an organisation being found criminally liable for failing to prevent tax evasion.</p> <p>HMRC will determine the extent to which an organisation mitigates tax risk through the new enhanced BRR process.</p> <p>Whilst the Council has a wide range of policies systems and internal governance processes to mitigate tax risk and ensure tax compliance, many of these processes have not been subject to external review in the past. The Council could be fined should it be found to be non-compliant. This would also carry the risk of reputational damage.</p>		
Owner		Portfolio Holder	Cllrs Lewanski and Schofield	
		Officers	Kate Brown and Pat Main	
Controls		<p>Ensure that tax compliance processes (including both engaging with contractors and suppliers) are kept under review to ensure their ongoing robustness.</p> <p>If necessary, engage internal audit to review processes including a review into establishment controls.</p>		
Mitigating actions/progress		<p>New processes to ensure staff contractor tax compliance were introduced following the introduction of IR35 and are continuing to be kept under close review to ensure their ongoing effectiveness and compliance.</p> <p>In Q2 2021/22, the Council's internal auditors undertook a review of staff resourcing at the Council. The review included processes relating to the engagement of third-party contractors and the associated tax implications of this. The review highlighted areas for process improvement. In Q3 a new process was implemented for engaging with off-payroll resource, which addresses the areas identified by the audit for improvement.</p> <p>The Business Risk Review encompasses processes outside of engaging with contractors, however, and also includes the tax practices of suppliers and the Council's application of VAT.</p> <p>Advice and guidance on mitigating this risk was received from the Council's internal auditors in late 2020/21. The advice was shared with Corporate Governance Group and Heads of Service. Heads of Service were contacted by the Council's Section 151 Officer and, following the latter advice, were instructed to review their processes in order to ensure compliance with the new tax regime. Support is available where necessary.</p> <p>Given the above actions, it is anticipated that this risk will be closed in Q4 2021/22 reporting.</p>		
Score	Likelihood	Unlikely	Direction of travel	-
	Impact	Moderate		
Status		Treat		
Last update		24 January 2022		

OR10		Employment tribunal ruling		AMBER	
Description		An employment tribunal's ruling has implications for the calculation of staff annual leave in the context of regularly worked overtime. This ruling will result in significant financial implications for the Council going forward, as well as the potential for retrospective costs.			
Owner		Portfolio Holder	Cllr Lewanski		
		Officer	Kate Brown		
Controls		A robust process review to ensure ongoing compliance. HR will investigate potential past liabilities and retrospective claims.			
Mitigating actions/progress		Processes are being reviewed and the Council will amend its systems to be compliant with the tribunal's ruling. This will help mitigate the ongoing implications of this risk. Implementation of the amendments to the system will take place in consultation with Corporate Governance Group. There are also some outstanding issues relating to retrospective liabilities which HR continues to progress.			
Score	Likelihood	Possible	Direction of travel	-	
	Impact	Moderate			
Status		Treat			
Last update		24 January 2022			

OR11		Resourcing of Human Resources/Organisational Development		AMBER
Description		<p>A resilient and high-performing Human Resources (HR) and Organisational Development (OD) service is key to the delivery of the Council's objectives.</p> <p>Whilst a robust service development and improvement plan for HR and OD is taking shape, there are currently significant capacity issues within the service which could have an adverse impact on the organisation, particularly in regards to recruiting, developing and retaining a skilled workforce.</p>		
Owner		Portfolio Holder	Cllr Lewanski	
		Officer	Kate Brown	
Controls		<p>A service review of Human Resources and Organisational Development.</p> <p>Additional funding for staff.</p> <p>Resource and workload planning.</p> <p>Understanding the organisation's upcoming requirements during recovery from COVID-19.</p>		
Mitigating actions/progress		<p>In January 2021 the Head of Human Resources and Organisational Development commissioned a service review, which concluded in August. The review's outcome and recommendations have resulted in an action plan which will set the future strategic direction of the service. Implementation of the action plan has begun and, amongst other areas, will address how the team is resourced and therefore the team's capacity issues.</p> <p>During 2021/22 the HR service has experienced comparatively high levels of maternity leave in the team. Whilst this has been managed by recruiting maternity leave cover, it has resulted in short term capacity pressures which will continue into next year.</p> <p>Before the Covid-19 pandemic a recruitment review was undertaken. An immediate outcome of the review was the appointment of a Recruitment Business Partner to assist services with their recruitment activities. The Council's future approach to recruitment is being incorporated into implementation of the service review's action plan.</p>		
Score	Likelihood	Possible	Direction of travel	-
	Impact	Moderate		
Status		Treat		
Last update		24 January 2022		

OR12		Community centres		CLOSED
Description		<p>A transformation programme will be implemented for the Council's community centres. There is a risk that any changes to the service offer may impact on current user, volunteer and staff satisfaction. The latter may also be affected by any delay in the agreement of the community centre's transformation plan due to COVID-19. Further restrictions would also curtail the activities on offer at the centre as well as the income derived from them.</p>		
Owner		Portfolio Holder	Cllr Ashford	
		Officer	Justine Chatfield	
Controls		<p>Developing a robust plan to introduce an alternative service delivery model.</p> <p>Adherence to the Council's project management framework and regular reporting to the Place and People governance board.</p> <p>Extensive consultation and engagement.</p>		
Mitigating actions/progress		<p>The Council adopted the management of the borough's community centres on 1 April 2020. The COVID-19 pandemic subsequently required the closure of the centres due to the need for social distancing.</p> <p>The previous closure of the centres resulted in decreasing income whilst costs saw a very minor reduction. This was addressed in service and financial planning for 2021/22.</p> <p>Following extensive consultation and engagement, a future vision for the service delivery of the community centres was taken to the Executive in July 2021. This vision was approved by the Executive and a programme of work was commenced to implement it. The programme remains ongoing and is progressing in line with expectations.</p> <p>Given the unique and ongoing circumstances of the pandemic, the full financial implications of managing the community centres are still to be determined. The financial implications of operating the centres will be addressed as part of service and financial planning for 2022/23. The service is also looking at income generating activities relating to the centres.</p> <p>The good progress made on the implementation of the new operating model for the centres means that this risk was closed in Q3 of 2021/22.</p>		
Score	Likelihood	Possible	Direction of travel	-
	Impact	Minor		
Status		Risk Closed		
Last update		24 January 2022		

OR13		2021 local elections		CLOSED
Description		<p>Local elections, to be held on May 6, are particularly complex this year due to the ongoing pandemic, and involve elections to the borough and county council, as well as for the Police and Crime Commissioner.</p> <p>The Council will therefore be required to administer a complex election in a time of pandemic. Whilst a robust plan is in place to deliver the election safely, the need for strict social distancing, safety precautions for electors and polling staff, as well as the likely reduced availability of polling staff further compounds this complexity and risk of issues occurring in administering the poll.</p>		
Owner		Portfolio Holder	Cllr Schofield	
		Officers	Joyce Hamilton	
Controls		<p>Robust plans and procedures were in place for maintaining polling staff and elector safety. All polling stations were risk assessed, as well as the count location.</p> <p>An Elections project board oversees the Council's preparedness. The board has assessed the risks and will ensure appropriate mitigations are in place to ensure that the elections on 6 May will be safe, transparent and accessible for all.</p>		
Mitigating actions/progress		The May 2021 local elections were held successfully. This risk was therefore closed in Q1 2021/22.		
Score	Likelihood	N/A	Direction of travel	N/A
	Impact	N/A		
Status		Risk closed		
Last update		8 July 2021		

OR14		CCTV		YELLOW
Description		<p>The Executive recently agreed to decommission the majority of the Council's public realm CCTV cameras, barring cameras in five key locations.</p> <p>The reduction in CCTV provision within the borough has been robustly risk assessed alongside Surrey Police and will not negatively impact community safety.</p> <p>However, the reduction may result in a resident perception that community safety is being adversely affected. This could foster a decrease in feelings of safety and reputational damage for the Council.</p>		
Owner		Portfolio Holder	Cllr Ashford	
		Officers	Justine Chatfield	
Controls		<p>A robust communications plan to clearly explain to residents and key stakeholders the reasons for the change and that safety remains a priority, and that it will not hamper police investigations.</p> <p>The project team will engage with key stakeholders regularly, including with elected members.</p>		
Mitigating actions/progress		<p>The project to decommission and replace the borough's Council owned CCTV cameras commenced in January 2021. The project will report on progress and any issues to the Council's Place and People project board.</p> <p>The Holmethorpe Industrial Estate Association raised concerns over changes to CCTV provision being implemented. The Council have confirmed its official position to the Association, though as of Q3 2021/22 there has been no formal response received.</p> <p>In terms of project delivery, the programme of modernisation has been delayed due to difficulties with the procurement process. This has delayed project completion, now expected in Q2 2022/23.</p> <p>Due to the delay, implementation of the project will be concurrent with the run up to the 2022 local elections. Any impacts of this will be carefully managed.</p>		
Score	Likelihood	Possible	Direction of travel	-
	Impact	Minor		
Status		Treat		
Last update		24 January 2022		

OR15		Voluntary and community sector partner failure or distress		AMBER
Description		<p>The pandemic has placed additional pressures on voluntary organisations across the borough. These organisations provide valuable support to the borough's residents, and the Council works closely in supporting them.</p> <p>The failure or distress of one of these organisations would negatively impact local residents reliant on their service. It may also create additional demand on Council services or similarly require the Council to step in and provide new areas of support.</p>		
Owner		Portfolio Holder	Cllr Ashford	
		Officers	Justine Chatfield	
Controls		<p>Regular engagement with our third sector partners especially those which are directly funded, to understand their needs and provide advice support regarding the latest pandemic developments and support available.</p> <p>Provision of support, both operational and financial, where appropriate.</p> <p>Possible RBBC staff redeployment to assist our third sector partners.</p>		
Mitigating actions/progress		<p>Given the substantial budgets of some local charities and significant reliance of some of them on event-based fundraising, it is not realistic to insure these partners against a catastrophic drop in their income levels.</p> <p>Through regular contact, early identification of the situation of partners will take place so that we can offer to work alongside them to mitigate any problems that may arise.</p> <p>There are a number of concurrent factors that have resulted in increased pressure on voluntary partners this financial year and onwards, with the end of the Jobs Retention Scheme, the end of the £20 uplift in Universal Credit, and other challenging economic conditions. The Community Partnerships team continues to hold regular meetings with partners to keep informed of the latest developments and respond accordingly.</p> <p>During 2021/22 the Council has provided one-off Covid-19 funding to three commissioned Voluntary Partner Organisations, due to increased pressures on their services. These are Citizens Advice Reigate and Banstead, Community Debt Advice and East Surrey Domestic Abuse Services.</p> <p>Household support funding has also been directed through key commissioned partners to support our most vulnerable residents.</p>		
Score	Likelihood	Possible	Direction of travel	-
	Impact	Moderate		
Status		Treat		
Last update		24 January 2022		

OR16		Shortage of polymer in Europe		CLOSED
Description		<p>A raw material shortage is negatively impacting the production of plastic products in Europe, which includes the bins for waste and recycling that the Council provides to residents.</p> <p>The current shortage may therefore result in difficulties acquiring bins, as well as a significant increase in costs and potential for reputational damage if the Council is unable to provide them as required.</p>		
Owner		Portfolio Holder	Cllr Bramhall	
		Officers	Morag Williams and Frank Etheridge	
Controls		<p>Holding sufficient stock of bins to meet short-medium term demand.</p> <p>Working with other local authorities within Surrey to source bins and share resources as appropriate.</p> <p>Reusing resident bins wherever possible.</p> <p>Financial forecasting will take account of potential price increases.</p>		
Mitigating actions/progress		<p>A comprehensive stock take of containers held at New Pond Farm has taken place. A schedule of advanced ordering is in place to help mitigate potential shortages.</p> <p>Given the supply chain disruption facing the UK, this risk was closed in Q2 2021/22, with the shortage of polymer being included in a new operational risk on 'Global Supply Chain Disruption'.</p>		
Score	Likelihood	N/A		N/A
	Impact	N/A		
Status		Risk Closed		
Last update		28 October 2021		

OR17		Environmental Health: backlog of food hygiene inspections		YELLOW
Description		<p>The Covid-19 pandemic has created a backlog of food hygiene inspections as food business have closed and Environmental Health resource has been diverted to support the Council's response to the pandemic. The Council undertakes these inspections on behalf of the Food Standards Agency (FSA).</p> <p>There is therefore a risk that the Council will be unable to complete its food hygiene inspection programme. This could result in food safety issues at food businesses, as well as the possibility that the FSA will take action against the Council to ensure the programme is delivered. Taken together, the latter also risks reputational issues for the Council.</p>		
Owner		Portfolio Holder	Cllr Bramhall	
		Officers	Morag Williams	
Controls		<p>Use of contract inspectors to complete the food inspection programme.</p> <p>Use of overtime to help clear the backlog.</p> <p>Continue to prioritise activities and inspections of the highest risk premises in accordance with FSA guidance.</p>		
Mitigating actions/progress		<p>The FSA has issued guidance to local authorities on the prioritisation of food activities throughout the pandemic, which has been fully followed. The guidance allows for programmed interventions to be completed over a longer time scale, so there is not a requirement to fully 'catch up' everything that was missed in the 2020-21 year by the end of March 2022.</p> <p>Physical interventions resumed in 2021 in line with the planned recommencement of food safety inspections.</p> <p>Plans are in place for the use of contract staff for the continued inspection of food premises in the borough. Overtime is also being utilised to reduce the inspections backlog.</p> <p>Virtual inspection options are also in place in the event that physical inspections are limited by a return of Covid-19 restrictions.</p> <p>With central government indicating that further lockdowns and restrictions are unlikely, it is expected that work to clear the backlog of inspections will conclude ahead of the 2022/23 financial year. Following this, inspections will revert to the usual inspection cycle.</p>		
Score	Likelihood	More than likely		Direction of travel
	Impact	Minor		
Status		Treat		
Last update		19 January 2022		

OR18		Contracts and procurement		AMBER
Description		A 2020/21 internal procurement report has highlighted issues with the Council's approach to procurement, including a lack of strategic oversight which may result in compliance and contractual performance issues.		
Owner		Portfolio Holder	Cllr Schofield	
		Officers	Joyce Hamilton	
Controls		<p>The audit report made 8 observations which the Council will address with a series of resultant management actions.</p> <p>Increased internal resources are required to implement and maintain strategic procurement and to mitigate the risk.</p> <p>Update of the Council's procurement strategy.</p>		
Mitigating actions/progress		<p>An outline paper summarising the issues flagged by the internal auditors was discussed at Organisation Board in the summer of 2021. It was agreed that addressing the issues will be carried out through a project reporting to the Board. The next step is to develop a project brief.</p> <p>The observations from the report require a recruitment of a Procurement Manager. In year resource has been identified for this post, with recruitment commencing in due course.</p>		
Score	Likelihood	More than likely	Direction of travel	-
	Impact	Moderate		
Status		Treat		
Last update		26 January 2022		

OR19		Increase in homelessness applications and B&B usage		AMBER
Description		<p>From May 2021 bailiffs have recommenced the enforcement of possession warrants following a pause throughout the duration of the Covid-19 pandemic.</p> <p>The resumption in bailiff activity could result in an increase in homelessness applications to the Council. There is therefore a risk that the Housing service will be stretched and that an increase in the use of temporary emergency accommodation will result. If this were to occur, it is highly likely that negative budget outcomes will result.</p>		
Owner		Portfolio Holder	Cllr Neame	
		Officers	Richard Robinson	
Controls		<p>The Council will continue to be proactive in working with those at threat of homelessness from the earliest stages and in accordance with the requirements of the Homelessness Reduction Act 2018.</p> <p>Budgets will be reviewed as appropriate, and grants applied for where available to offset any increase in costs.</p> <p>Use of the Council's owned and operated temporary emergency accommodation (Massetts Road).</p>		
Mitigating actions/progress		<p>The Council continues to apply for government grants to support homeless residents, or those at risk of homelessness. So far in Q3 2021/22 a further £140k has been provided by the Department for Levelling up, Housing and Communities to support renters and for the accommodation and vaccination of rough sleepers.</p> <p>Despite the ban in bailiff led evictions coming to an end, as of the end of Q3 there has not been an increase in evictions over 'normal' years. However, there has been an increase in the complexity of cases and an increase in larger households placed into temporary emergency accommodation. The Council's Housing team continues to work successfully in preventing and relieving homelessness where possible.</p> <p>Within the borough there is a lack of affordable move on homes for larger households, both in the social and private rented sector. This has resulted in an increase in emergency temporary accommodation spend. This will be closely monitored and action taken as necessary.</p>		
Score	Likelihood	More than likely	Direction of travel	-
	Impact	Moderate		
Status		Treat		
Last update		25 January 2022		

OR20	Tax implications arising from the provision of home working equipment		YELLOW
Description	<p>Due to the Covid-19 pandemic, the vast majority of office based staff have been working from home since March 2020.</p> <p>In order to support staff, the Council has provided a range of equipment in order for staff to complete their duties well and to maintain their health and wellbeing.</p> <p>The Council has treated the supply of equipment as being exempt from tax due to it being provided to staff following the government's requirement to work from home.</p> <p>However, there is a risk that HMRC may treat the provision of said equipment as a taxable benefit, from which a tax liability for both the employer and employee may result. The likelihood of this will increase as lockdown restrictions come to an end.</p>		
Owner	Portfolio Holder	Cllr Lewanski	
	Officers	Kate Brown and Pat Main	
Controls	<p>Update policies and make clear that the use of equipment is owned by the Council and is on loan to staff until employment ceases.</p> <p>Communicate with staff to make them aware of any potential tax implications.</p> <p>The hybrid working programme will consider any tax implications arising from new ways of working.</p>		
Mitigating actions/progress	<p>The Council's Payroll Manager has been in contact with managers to advise them of the potential tax implications arising from the provision of equipment to staff.</p> <p>Managers have also been asked to provide information to the Payroll Manager where the provision of work equipment may constitute a taxable benefit. Any necessary action identified will be taken.</p>		
Score	Likelihood	Possible	Direction of travel -
	Impact	Minor	
Status	Treat		
Last update	24 January 2022		

OR21		Shortage of HGV drivers		AMBER	
Description		<p>There is a national shortage of HGV drivers, affecting both full time and short term (contract work) positions.</p> <p>This shortage has the potential to adversely impact on the Council's statutory duty to deliver waste and recycling collection services, with the attendant risk of reputational damage.</p>			
Owner		Portfolio Holder	Cllr Bramhall		
		Officers	Frank Etheridge and Morag Williams		
Controls		<p>HGV tests are to be offered to existing loaders and other operational staff in Neighbourhood Operations in order to increase the pool of HGV drivers.</p> <p>The service will continue to ensure that the remuneration package for drivers remains commensurate with the market.</p> <p>Use of agency staff to meet resourcing requirements.</p>			
Mitigating actions/progress		<p>The Council has maintained its HGV driving capacity despite strong market competition, with HGV staffing levels remaining steady during the year. As such, whereas other waste collection authorities have suspended or altered their collection services, the Council has not been required to do so.</p> <p>Resource has been supplemented, however, with the Neighbourhood Operations service supporting two members of staff in achieving an LGV licence, allowing them to drive vehicles between 7.5 and 32 tonnes.</p> <p>Coordination work between Neighbourhood Operations and HR has also secured additional HGV drivers through agency contracts where this has been necessary.</p>			
Score	Likelihood	More than likely		Direction of travel	-
	Impact	Moderate			
Status		Treat			
Last update		19 January 2022			

OR22		Supply chain disruption		AMBER
Description		<p>As the UK and global economy recovers from the effects of the Covid-19 pandemic, global supply chain issues and disruption has emerged. The Council sources a variety of goods and materials necessary for the delivery of its operational services, including fuel, vehicle parts and refuse containers, amongst others.</p> <p>Shortages and supply chain disruption could result in negative impacts on service delivery as well as unbudgeted cost increases.</p>		
Owner		Portfolio Holder	Cllr Bramhall	
		Officers	Frank Etheridge and Morag Williams	
Controls		<p>Holding sufficient stock to meet short-medium term demand and utilising additional suppliers.</p> <p>Working with other local authorities within Surrey to share resources where appropriate.</p> <p>Business continuity planning – undertaking planning for fuel supply disruption.</p> <p>Engagement at the Local Resilience Forum – principally regarding supply chain issues, including the update of the Surrey fuel shortage plan.</p> <p>Financial forecasting will take account of potential price increases.</p>		
Mitigating actions/progress		<p>Earlier in 2021/22 the UK experienced a panic buying of fuel, with the South East particularly badly affected. The Council utilised its business continuity plans to continue to deliver core services whilst also providing mutual aid to partner organisations at the Local Resilience Forum (LRF), including the NHS.</p> <p>The fuel supply issues highlighted gaps in local and national planning fuel shortages. The Council has taken steps to implement a revised fuel shortage plan in the context of the current reasonable worst case planning assumptions. This plan is expected to be signed off in Q4. Given the gaps in the local and national planning, the Council is actively participating at the LRF. This has included in the debrief to the fuel supply issues as well as the updating of the Surrey specific plan. The Council has also fed back comments on the disruption to the Department for Business, Innovation and Industrial Strategy (BEIS).</p> <p>In terms of a shortage of polymer affecting the supply of refuse bins, a comprehensive stock take of containers has taken place. A schedule of advanced ordering is in place to help mitigate potential shortages.</p> <p>The Council is also experiencing delays in receiving parts to repair playground equipment. This is difficult to mitigate, however, given the number of potential parts that could be required.</p>		
Score	Likelihood	Possible	Direction of Travel	-
	Impact	Moderate		
Status		Treat		
Last Update		19 January 2022		

OR23		Health and safety: buildings compliance		AMBER
Description		<p>A recent internal audit report has highlighted compliance issues regarding the health and safety of Council buildings.</p> <p>Despite some good practice, in some areas the review found a lack of documented procedures and evidence of compliance with health and safety legislation.</p> <p>There is therefore a risk that Council buildings are not compliant with health and safety legislation.</p>		
Owner		Portfolio Holder	Cllr Archer	
		Officers	Daniel Jones and Pat Main	
Controls		<p>Implementation of a facilities management system.</p> <p>A restructure of the Property team to ensure health and safety compliance work is sufficiently resourced.</p> <p>Recruitment of additional staff.</p> <p>Addressing the management actions arising from the internal audit review.</p> <p>Introduction of performance measures to demonstrate compliance as part of service and financial planning for 2022/23 onwards.</p>		
Mitigating actions/progress		<p>Subsequent to the conclusion of the internal audit, it was noted that some documentation relevant to the scope of the review had not been considered. As such, this documentation has been provided to the auditors. The auditors are reviewing this documentation and may revise their assurance opinion.</p> <p>Any new health and safety changes or actions are expected to be identified in Q4.</p> <p>The implementation of Huddle, a facilities management system which will track all health and safety work related to the Council's asset base is currently underway. The Property Team have finalised costs and the technical specification is complete.</p> <p>The Property team recently underwent a restructure, where a new post of Principal Estate Manager created. The holder of this post is responsible for implementing measures to ensure that the Council's estate is compliant with health and safety legislation. The postholder will also be responsible for implementing the management actions arising from the internal audit.</p> <p>Two new members of staff have been recruited to support health and safety compliance (Assistant Facilities Manager and Help Desk Coordinator).</p>		
Score	Likelihood	Possible	Direction of Travel	-
	Impact	Significant		
Status		Treat		
Last Update		13 January 2022		

OR24		May 2022 local elections		Yellow
Description		<p>One third of the Council's seats are up for re-election in May 2022.</p> <p>The Council is currently transitioning to a new electoral management system. There are some initial data issues since migration which are currently being addressed.</p> <p>Whilst a robust plan is in place to deliver the 2022 local elections, if not resolved swiftly there is a risk that these systems issues could impact their delivery.</p> <p>The government has also introduced an elections bill that, when passed into law, will make significant changes to the UK electoral system. Whilst it is not currently known when the bill will be passed into law, some provisions may place additional demands upon polling staff and risk issues occurring in administering the poll.</p> <p>These systems issues, coupled with potential upcoming legislative changes, create significant complexity and risk in delivering the 2022 local elections.</p>		
Owner		Portfolio Holder	Cllr Schofield	
		Officers	Joyce Hamilton	
Controls		<p>The elections project board is meeting regularly and is actively controlling this risk.</p> <p>Contingency measures are being put on place for systems in the run up to elections.</p> <p>The elections team are engaging with electoral commission as appropriate and necessary.</p>		
Mitigating actions/progress		<p>Data accuracy issues regarding the electoral management system are being raised by staff and assessed and raised with the Electoral Commission as to whether there is any significant risk of failure.</p> <p><i>To be further completed in Q4 2021/22 risk reporting.</i></p>		
Score	Likelihood	Possible	Direction of Travel	-
	Impact	Minor		
Status		Treat		
Last Update		7 February 2022		