

To: Paul Osborn (Chairman) Heather Johnson  
David Andrews (Vice Chairman) Chris Kennedy  
Susan Barker Graham McAndrew  
Ross Houston Gordon Nicholson

A meeting of the **EXECUTIVE COMMITTEE** (Quorum – 4) will be held by remote access on:

**THURSDAY, 20 JULY 2023 AT 10:30**

at which the following business will be transacted:

### **AGENDA**

#### **Part I**

1 To receive apologies for absence

2 **DECLARATION OF INTERESTS**

Members are asked to consider whether or not they have disclosable pecuniary, other pecuniary or non-pecuniary interests in any item on this Agenda. Other pecuniary and non-pecuniary interests are a matter of judgement for each Member. (Declarations may also be made during the meeting if necessary.)

3 **MINUTES OF LAST MEETING**

To approve the Minutes of the meeting held on 25 May 2023 (copy herewith)

4 **PUBLIC SPEAKING**

To receive any representations from members of the public or representative of an organisation on an issue which is on the agenda of the meeting. Subject to the Chairman's discretion a total of 20 minutes will be allowed for public speaking and the presentation of petitions at each meeting.

5 **SICKNESS ABSENCE MONITORING 2022/23** Paper E/813/23

Presented by Victoria Yates, Head of Human Resources

6 **RISK REGISTER 2023/24** Paper E/814/23

Presented by Dan Buck, Corporate Director



**LEE VALLEY REGIONAL PARK AUTHORITY**

**EXECUTIVE COMMITTEE  
25 MAY 2023**

Members in Paul Osborn (Chairman) Heather Johnson  
Remote Presence: David Andrews (Vice Chairman) Chris Kennedy  
Susan Barker Mary Sartin  
Ross Houston Richard Thake (Deputy Member for  
Graham McAndrew)

Apologies Received From: Graham McAndrew

In Remote Attendance: John Bevan, David Gardner

Officers in Shaun Dawson - Chief Executive  
Remote Presence: Dan Buck - Corporate Director  
Jon Carney - Corporate Director  
Keith Kellard - Head of Finance  
Stephen Bromberg - Head of Communications  
Michael Sterry - Senior Accountant  
Sandra Bertschin - Committee & Members' Services Manager

Also in Remote Presence: Kevin Bartle – S151 Officer (London Borough of Enfield)  
Will Durrant - Journalist

Part I

243 DECLARATIONS OF INTEREST

There were no declarations of interest.

244 MINUTES OF LAST MEETING

**THAT the minutes of the meeting held on 23 March 2023 be approved and signed.**

245 PUBLIC SPEAKING

No requests from the public to speak or present petitions had been received for this meeting.

246 Q4 REVENUE BUDGET MONITORING 2022/23

Paper E/812/23

The report was introduced by the Head of Finance.

In response to Members regarding recent changes to utility costs it was advised that:

- the Authority purchases utilities from Laser and prices were fixed until October 2023;
- predicted utility costs post October 2023 had been included within the budget but given recent decreases in wholesale costs these predicted costs might be higher than actual costs which were subject to future notification from Laser;
- the Authority used very little gas and therefore the impact of decreasing costs was negligible; and
- robust monitoring was in place to track the cost benefit of investment in LED lighting.

In response to a Member it was advised that the 2023/24 budget included a large contingency because of uncertainty on costs and income. Performance to date had been good and therefore the budget was resilient.

Heather Johnson joined the meeting during the above discussion.

**(1) the report was noted.**

**247 Q4 CAPITAL PROGRAMME BUDGET MONITORING 2022/23 Paper E/810/23**

The report was introduced by the Head of Finance.

In response to a Member it was advised that the Middlesex Filter Beds project continued to be reviewed and an update would be provided to Members when a robust solution was secured.

Ross Houston joined the meeting during the above discussion.

**(1) the report was noted.**

**248 ANNUAL REPORT ON TREASURY MANAGEMENT ACTIVITY Paper E/811/23  
2022/23**

The report was introduced by the Head of Finance.

Members commended officers for good performance in a complex financial marketplace.

**(1) treasury management activity during 2022/23 was noted.**

**249 PARK SECURITY CONTRACT PROCUREMENT Paper E/809/23**

The report was introduced by the Corporate Director.

In response to Members it was advised:

- the current contractor was expected to submit a bid for the new contract;
- operating the service in-house had been evaluated but it was considered that an external provider would offer better service at lower cost; and
- the procurement process would include social value and other community factors.

**(1) commencement of procurement of a new Park Security contract with the intention of commencing the new contract in December 2023 was noted; and**

**(2) offering the current Park Security contractor a further six months extension to the current contract was approved.**

Members and Officers expressed thanks to Mary Sartin for her long and valued service to the Authority and wished her a happy retirement.

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Chairman

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Date

The meeting started at 10.33am and ended at 11.03am

## **SICKNESS ABSENCE MONITORING – 2022/23**

Presented by the Head of Human Resources

### **EXECUTIVE SUMMARY**

This report summarises employee sickness absence levels during 2022/23 and compares them to the target approved by Members. It also recommends a target for 2023/24.

At the Executive Committee in June 2022 (Paper E/771/22) Members approved an annual sickness absence target of 3 days per full time equivalent (FTE) employee for short term sickness only.

In April 2020 following transfer of the Leisure Services Contract (LSC) venues back to the Authority, the FTE in the Authority increased from 84 to 251. Then, in April 2022, following the commencement of the new LSC with Greenwich Leisure Limited (GLL), the FTE in the Authority decreased from 231 to 121.

The Authority's average total number of days for short term sickness absence per FTE in 2022/23 equated to 3.22 days. This is above the Authority's target of 3 days per FTE but is still lower than the national average for short term sickness, which is 3.4 days.

In terms of a target for 2023/24, based on the Authority's sickness absence performance over previous years, it is proposed that a target of 3 days for short term sickness absence per FTE be continued.

### **RECOMMENDATIONS**

Members Note: (1) the contents of this report; and

Members Approve: (2) a 2023/24 sickness absence target of 3 days per Full Time Equivalent (FTE) for short term sickness.

### **BACKGROUND**

- 1 The Authority's sickness absence target (average short-term sickness per FTE employee) was agreed at the Executive Committee meeting in June 2022 (Paper E/771/22). A target of 3 days was set, based on the Authority's performance to date and public/private sector comparators.
- 2 Previously the Authority's sickness absence target related to all sickness absence

(long term and short term). However, for 2022/23, it was changed to only relate to short term sickness absence, so the figures have been split out in this report.

- 3 The Authority historically uses comparative national, public and private sector data from the most recent Chartered Institute of Personnel & Development (CIPD) national survey of Health and Wellbeing at Work in partnership with Simply Health and the annual XpertHR Absence Rates and Costs Survey. Unfortunately, this year, no comparative information was available for public and private sector performance split into short term and long term absence and the CIPD are not publishing their usual Health and Wellbeing at Work survey report until September 2023.

### SHORT TERM SICKNESS ABSENCE

- 4 Short term sickness absence is defined as any period of sickness absence of less than four weeks.
- 5 The table below compares the Authority's short term sickness absence performance for 2022/23 to the national performance.

	TOTAL NATIONAL	LVRPA
Average days lost per FTE per year	3.4 days	3.22 days
Average working time lost per year (%)	1.7%	1.5%

- 6 In 2022/23 short term sickness absence equated to 30% of the Authority's total sickness absence and the average sickness days per FTE was 3.22 days. Short term sickness ranged from 0.5 days to 14 days in an occurrence.
- 7 The number of days attributed to short term sickness has increased when compared to the previous years. However, the XpertHR Absence Rates and Costs Survey 2023, states that nearly half of the respondents reported that short term sickness absence had increased in the last 12 months with the reasons for this being that Covid-19 continued to play a role. As we saw the end of lockdowns, there was the effect of reduced immunity as people began to socialise more.
- 8 The Authority's recorded top five reasons for short term sickness absence in 2022/23 were Covid-19, coughs/colds/Influenza, headache/migraine, chest infection, stomach upset. In comparison, the CIPD's top five reasons were Covid-19, colds/flu, stomach upset, headaches/migraines and musculoskeletal injuries, so very similar.
- 9 The table below shows a comparison of the Authority's short term sickness absence over the last five financial years.

LVRPA - SHORT TERM SICKNESS ABSENCE					
Year	2018/19	2019/20	2020/21	2021/22	2022/23
Number of Days	228	204	123.5	355	392
% of Total Sickness	60%	48%	24%	30%	30%
Average sickness absence per FTE (short term sickness only)	2.7 days	2.3 days	0.49 days	1.86 days	3.22 days

- 10 Human Resources will continue to closely monitor short term intermittent sickness in 2023/24 to ensure proactive management.

### **LONG TERM SICKNESS ABSENCE**

- 11 Long term sickness, in accordance with the Authority's Sickness Absence Procedure, is defined as any continuous period of sickness absence in excess of four weeks. The table below shows long term sickness levels for the last five financial years.

<b>LVRPA - LONG TERM SICKNESS ABSENCE</b>					
<b>Year</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
<b>Number of Days</b>	156	221	397	827	<b>897</b>
<b>% of Total Sickness</b>	40%	52%	76%	70%	<b>70%</b>

- 12 Long term sickness absence in the 2022/23 period was 897 days, consisting of 13 employees.

These 13 employees have had an average of 14 weeks off sick in 2022/23 and represent 10% of the workforce.

These 13 cases were due to mental health issues, such as anxiety, operations, injuries and cancer. 9 employees have returned to work, with 3 of those still on a phased return. 3 employees no longer work for the Authority and 1 employee is currently still off sick. In comparison, the CIPD reported mental ill health, musculoskeletal injuries, stress, acute medical conditions and long Covid as the main causes of long term absence.

- 13 The Authority will continue to closely manage long term sickness in 2023/24 in order to ensure proactive management.

### **MANAGING SICKNESS ABSENCE**

- 14 The Authority's Sickness Absence Procedure includes:

- return to work interviews;
- detailed monitoring of both short and long term sickness absence with reports to Senior Management;
- managers maintaining regular contact with employees during their absence;
- referrals to Occupational Health (OH) professionals; and proactively obtaining consent from employees regarding any relevant medical reports.

Following an employee's return to work after a long term sickness absence, reasonable adjustments are considered in consultation with the employee, manager, HR, Health & Safety and OH professionals to ensure the transition back into the workplace does not put the employee at further risk of sickness absence. The Authority also has a Capability Procedure which includes a framework for effectively managing sickness absence.

- 15 The Authority's Capability and Disciplinary Procedure and the continuing management of sickness absence, as set out in the Authority's Sickness Absence

Procedure, enables the Authority to continue to effectively manage short and long term absence.

- 16 The Authority has an Employee Assistance Programme (EAP), which is currently provided by Health Assured and offers the following services to all employees and their immediate families:

- 24/7 telephone support;
- legal information;
- structured telephone counselling;
- management support;
- face to face counselling;
- on-line counselling;
- active care – early intervention for stress; and
- on-line health portal.

## **MANAGING MENTAL HEALTH & WELLBEING**

- 17 Mental ill health has been a significant and growing concern for organisations over the past few years and is one of the most common causes of long term absence nationally. The pandemic and the cost of living crisis has exacerbated rates of stress and anxiety for many.

The Authority promotes a preventative approach to health and well-being, encouraging and supporting employees using a number of tools including:

- providing an EAP with a 24/7 telephone service for staff, face to face counselling sessions and access to the Health Assured website for advice and signposting;
- providing an OH service and active care referrals;
- offering flexible/hybrid working arrangements;
- offering self-funded health cash plans and dental plans;
- providing annual health assessments for its employees; and
- mental health awareness training for all staff and managers.

Employees are regularly reminded of the health and wellbeing services provided by the Authority and signposted to other useful sources of information/support via our monthly newsletters, through line managers and HR and regular reminder emails throughout the year.

A workplace health programme is being developed, which includes staff health and wellbeing challenges, such as a steps challenge in teams across the Authority and group walks. Focus groups will be held with staff during 2023/24 for their feedback and suggestions on the future programme.

## **CONCLUSIONS AND TARGETS**

- 18 The Authority's short term sickness absence performance for 2022/23 was slightly above the target set for the year but was lower than the national average.
- 19 The Human Resources section continues to ensure that managers are recording sickness absence accordingly across the board by reviewing the current procedure and providing training and coaching on how to manage sickness absence.
- 20 The Authority's employee numbers significantly increased between 2020/21 and 2021/22 due to the transfer of staff from Lee Valley Leisure Trust Ltd (the Trust) and



Vibrant Partnerships to LVRPA and then decreased again in 2022/23 with the transfer of the LSC venues to GLL. Therefore, along with the Covid-19 Pandemic and the furlough scheme the sickness data and comparisons during these three financial years are somewhat skewed compared to previous years.

- 21 Based on the Authority's performance in 2022/23 it is proposed that the target for sickness absence in 2023/24 remains at 3 days per FTE for short term sickness absence.

#### **ENVIRONMENTAL IMPLICATIONS**

- 22 There are no environmental implications arising directly from the recommendations in this report.

#### **FINANCIAL IMPLICATIONS**

- 23 The financial impact of sickness absence has been managed within the approved employees' budget for 2022/23.

#### **HUMAN RESOURCE IMPLICATIONS**

- 24 The human resource implications are detailed within the body of this report.

#### **LEGAL IMPLICATIONS**

- 25 There are no legal implications arising directly from the recommendations in this report.

#### **RISK MANAGEMENT IMPLICATIONS**

- 26 In line with the Authority's Strategic Risk Register, there is always a potential risk that insufficient human resources through high sickness levels could mean that certain corporate objectives may not be met. To mitigate this risk senior managers review long term sickness to ensure adequate cover is in place with the necessary resources to ensure service levels are not adversely impacted. Resources are identified through the monthly budget monitoring process.

#### **EQUALITY IMPLICATIONS**

- 27 There are no equality implications arising directly from the recommendations in this report.

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#### **PREVIOUS COMMITTEE REPORTS**

Executive Committee	E/58/10	Sickness Absence Monitoring 2009/10	20 May 2010
Executive Committee	E/131/11	Sickness Absence Monitoring 2010/11	26 May 2011
Executive Committee	E/210/12	Sickness Absence Monitoring 2011/12	24 May 2012

Executive Committee	E/278/13	Sickness Absence Monitoring 2012/13	23 May 2013
Executive Committee	E/352/14	Sickness Absence Monitoring 2013/14	15 May 2014
Executive Committee	E/406/15	Sickness Absence Monitoring 2014/15	21 May 2015
Executive Committee	E/449/16	Sickness Absence Monitoring 2015/16	26 May 2016
Executive Committee	E/499/17	Sickness Absence Monitoring 2016/17	26 May 2017
Executive Committee	E/563/18	Sickness Absence Monitoring 2017/18	24 May 2018
Executive Committee	E/621/19	Sickness Absence Monitoring 2018/19	23 May 2019
Executive Committee	E/672/20	Sickness Absence Monitoring 2019/20	21 May 2020
Executive Committee	E/771/22	Sickness Absence Monitoring 2021/22	23 June 2022

#### **LIST OF ABBREVIATIONS**

CIPD	Chartered Institute of Personnel & Development
EAP	Employee Assistance Programme
FTE	Full Time Equivalent
GLL	Greenwich Leisure Limited
OH	Occupational Health
LVRPA	Lee Valley Regional Park Authority
the Trust	Lee Valley Leisure Trust Ltd (trading as Vibrant Partnerships)

## **RISK REGISTER 2023/24**

Presented by the Corporate Director

### **EXECUTIVE SUMMARY**

At each Audit Committee Members review the Risk Register for progress against existing actions and to ensure that the Risk Register remains relevant to deal with the corporate risks facing the organisation.

The Executive Committee are requested to note the contents of the Risk Register and associated paper presented and approved at a meeting of the Audit Committee held on 22 June 2023 (Paper AUD/132/23), and an oral update will be given at the Executive Committee.

### **RECOMMENDATION**

Members note: (1) the Corporate Risk Register included at Appendix A to Paper AUD/132/23.

### **BACKGROUND**

- 1 Risk management is one of the key internal controls for an organisation. Members need to ensure that a sound system of internal control is maintained and an annual review of the effectiveness of the system of internal control is conducted to provide sufficient, relevant and reliable assurance to enable them to authorise the signing of the Authority's Annual Governance Statement (which is published with the financial statements).
- 2 The Corporate Risk Register has been revised for strategy, format, and content. The strategy has been revised and updated twice since 2005 at the Audit Committee (May 2010, Paper AUD/06/10 and June 2012, Paper AUD/30/12) and was reviewed by officers and Members as part of a Risk Management Workshop and was formally approved by the Audit Committee in June 2018 (Paper AUD/90/18). Subsequent to this workshop, a further workshop was held in March 2022 and an invitation to attend was extended to all Members and the strategy, format and content was reviewed again and was formally approved by the Audit Committee in June 2022 (Paper AUD/126/22).
- 3 As part of the process it was noted that it will be the responsibility of the Audit Committee as per its terms of reference to continue to monitor and review the

Authority's risk management policies and procedures which include the review of the Authority Corporate Risk Register (and any sub-Risk Registers) at their programmed meetings. On completion of the meeting, the Audit Committee will approve the Corporate Risk Register and present this to the Executive Committee highlighting any changes or areas of medium to high risk that are of concern.

## **CORPORATE RISK REGISTER**

- 4 The Audit Committee approved the Corporate Risk Register at a meeting on 22 June 2023 (Paper AUD/132/23) – see Annex A to this report) and an oral update will be given at the Executive Committee.
- 5 Any environmental, financial, human resource, legal and risk management implications are covered in Paper AUD/132/23 attached as Annex A to this report.

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## **PREVIOUS COMMITTEE REPORTS**

Audit Committee	AUD/132/23	Risk Register 2022/23	22 June 2023
Executive Committee	E/803/22	Risk Register 2022/23	23 March 2023
Audit Committee	AUD/131/23	Risk Register 2022/23	23 February 2023
Executive Committee	E/778/22	Risk Register 2022/23	20 October 2022
Audit Committee	AUD/129/22	Risk Register 2022/23	22 September 2022
Audit Committee	AUD/126/22	Risk Register 2021/22	23 June 2022
Audit Committee	AUD/123/21	Risk Register 2021/22	23 September 2021
Audit Committee	AUD/118/21	Risk Register 2020/21	24 June 2021
Audit Committee	AUD/116/21	Risk Register 2020/21	25 February 2021
Audit Committee	AUD/113/20	Risk Register 2020/21	22 October 2020
Audit Committee	AUD/111/20	Risk Register 2020/21	25 June 2020
Executive Committee	E/674/20	Emergency Budget 2020/21	21 May 2020
Audit Committee	AUD/106/20	Risk Register 2019/20	27 February 2020
Audit Committee	AUD/104/19	Risk Register 2019/20	19 September 2019
Audit Committee	AUD/101/19	Risk Register 2019/20	20 June 2019
Audit Committee	AUD/97/19	Risk Register 2018/19	14 February 2019
Audit Risk Workshop			07 June 2018

## **ANNEX ATTACHED**

Annex A                      Paper AUD/132/23

 <p><b>LEE VALLEY REGIONAL PARK AUTHORITY</b></p> <p><b>AUDIT COMMITTEE</b></p> <p><b>22 JUNE 2023 AT 11:30</b></p>	<p><u>Agenda Item No:</u></p>  <p><u>Report No:</u></p>  <p><b>AUD/132/23</b></p>
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## **RISK REGISTER 2023/24**

Presented by the Corporate Director (S&L)

### **SUMMARY**

At each Audit Committee Members review the Risk Register for progress against existing actions and to ensure that the Risk Register remains relevant to deal with the corporate risks facing the organisation.

At the Audit Committee in June 2022 (Paper AUD/126/22) Members approved the updated risk management strategy and corporate risk register following the Risk Management Workshop held on 22 March 2022. This workshop analysed and reviewed the risk management strategy and corporate risk register in detail to ensure that this committee could proactively input into, manage and monitor the register going forward, with up to date risks identified that are relevant to the Authority's business over the coming years. This included some minor changes which were made to ensure that the Authority Chair and Executive Committee are part of the approval process.

The risk management strategy and corporate risk register assists Members in their consideration and approval of the Annual Governance Statement as a key part of the financial statements. A robust risk management framework and register is one key element of the Annual Governance Statement and a source of assurance for Members in approving this statement year on year as part of the published accounts.

### **RECOMMENDATION**

Members Approve (1) the Corporate Risk Register included at Appendix A to this report.

### **BACKGROUND**

- 1 Risk management is one of the key internal controls for an organisation. Members need to ensure that a sound system of internal control is maintained and an annual review of the effectiveness of the system of internal control is conducted to provide sufficient, relevant and reliable assurance to enable them to authorise the signing of the Authority's Annual Governance Statement (which is published with the financial statements).
- 2 Regulation 3 of the Accounts and Audit Regulations 2015 requires that:

**"A relevant authority must ensure that it has a sound system of internal control which:**

- facilitates the effective exercise of its functions and the achievement of its aims and objectives;**
- ensures that the financial and operational management of the authority is effective; and**
- includes effective arrangements for the management of risk."**

**In this context "relevant authority" is referring to Lee Valley Regional Park Authority.**

- 3 Each financial year the relevant authority must:**
  - conduct a review of the effectiveness of the system of internal control required by regulation 3; and**
  - prepare an Annual Governance Statement - this statement must be published together with the statement of accounts and the narrative statement in accordance with regulation 10.**
- 4 Assurance of the Authority's internal control system is derived through the work of the internal audit function (undertaken by Mazars for the Authority); and also through the monitoring of processes put in place by management and other external bodies including those around risk management and health & safety. This provides evidence which allows the Authority to form conclusions on the adequacy and effectiveness of the systems of internal control and also on the efficiency of operations.**
- 5 Risk management is not solely a focus on the finances of the Authority. The scope of internal control spans the whole range of the Authority's activities and includes those controls designed to ensure:**
  - the Authority's policies are put into practice;**
  - the organisation's values are met;**
  - laws and regulations are complied with;**
  - required processes are adhered to;**
  - financial statements and other published information is accurate and reliable; and**
  - human, financial and other resources are managed efficiently and effectively.**
- 6 The Authority approved a Risk Management Framework in April 2005 (Paper A/3798/05). The Risk Management Framework and more specifically, the Risk Register was developed by Members and senior officers under the guidance of the internal auditors through a number of workshops and meetings. Members have regularly reviewed the register at each Audit Committee, adding in their own comments and improvements.**
- 7 Since this time Members have consistently (and in depth) reviewed the Corporate Risk Register and revised the strategy, format, and content. The strategy has been revised and updated twice since 2005 at the Audit Committee (May 2010, Paper AUD/06/10 and June 2012 Paper AUD/30/12). The strategy was reviewed by officers and Members as part of a Risk Management Workshop and was formally approved by the Audit Committee in June 2018 (Paper AUD/90/18). Subsequent to this workshop, a further workshop was held in March 2022 and an invitation to attend was extended to all Members and the**

strategy, format and content was reviewed again and was formally approved by the Audit Committee in June 2022 (Paper AUD/126/22).

**REVIEW OF THE STRATEGIC RISK REGISTER**

- 8 The current Strategic Risk Register is reviewed by officers and Members on an ongoing basis and signed off at each Audit Committee.
- 9 Members last considered the risk register at the Audit Committee in February 2023 (Paper AUD/131/23).
- 10 Since the February Committee officers have incorporated approved Member revisions, reviewed the register, considered and added potential new risks and updated the scoring.

The table below sets out the movement in managing the residual risks and sets out a summary of the total notional score.

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Risk	Residual Risks 23 September 2021	Residual Risks 24 February 2022	Residual Risks 24 June 2022	Residual Risks 22 September 2022	Residual Risks 23 February 2023	Residual Risks 22 June 2023
	2	0	0	1	1	1
	12	15	18	21	17	16
	9	8	8	10	12	13
<b>Total Risks</b>	<b>23</b>	<b>23</b>	<b>26</b>	<b>32</b>	<b>30</b>	<b>30</b>
<b>Notional Score</b>	<b>547</b>	<b>512</b>	<b>591</b>	<b>759</b>	<b>665</b>	<b>638</b>

- 12 The key point to note since the last review of the Authority Strategic Risk Register is the overall decrease in the corporate risk register residual notional score. This is due to the improvement in the residual risks for some items such as Lee Valley Ice Centre delivery. Several of the original inherent risks have also shown a reduction in the residual score and additional risks that had been added to the risk register as a result of the Covid-19 situation including the possible effect of 'long-Covid' have been removed. There are currently two items that are for consideration for removal from the Risk Register; SR3.3 and SR3.4. Both items are no longer considered a risk to the Authority.
- 13 Energy prices continue to be of concern, increasing risk around utility costs and considering the effect of the removal of the Energy Bills Discount Scheme. The Authority's two year fixed price agreement with Laser (public bodies energy procurement consortium) ended in October 2022, and like all organisations we have seen exceptional increases in the price of electricity (+100%) and gas (+400%). Laser have secured medium term prices on purchase of energy which have allowed them to guarantee us fixed prices for electricity and gas until October 2023, at levels at or below the Government's Energy Price Cap. This has reduced our exposure to price increases until the second half of 2023. The Authority has supported GLL in obtaining the same basket prices as us, however their prices from October 2022 have been confirmed at a higher rate. GLL have been unable to negotiate better rates with Laser. The 2023/24 budget has been built based on current consumption levels, the known prices for both the Authority and GLL up to September, and anticipated price increases from October based on Laser's forecasts. There is also a general contingency

budget which is partly intended to cover any additional utility price increases. Based on our current understanding of consumption and pricing, and the reduction to consumption as a result of the LED projects at the venues. We are anticipating there will be sufficient coverage within the budget.

- 14 Decisions taken to mitigate these risks will be approved by full Authority and monitoring of these risks is taking place at each Executive Committee, along with the Senior Management Team and Heads of Service level.
- 15 The Risk Management audit carried out by Mazars has some recommendations which will be completed over the coming months, with input from the Authority's Senior Management Team. The result of the audit will form part of the annual review produced by Mazars.
- 16 A verbal update will be presented at the meeting to advise Members regarding the changes to the register which are in red font to indicate changes since the last Audit Committee risk register paper.

#### **ENVIRONMENTAL IMPLICATIONS**

- 17 There are no environmental implications arising directly from the recommendations in this report.

#### **EQUALITY IMPLICATIONS**

- 18 There are no equality implications arising directly from the recommendations in this report.

#### **FINANCIAL IMPLICATIONS**

- 19 Revision of the Strategic Risk Register is a key element of this Authority's system of internal control that contributes to safeguarding the assets of the Authority and its reputation for sound financial management of public funds. This is reflected in the Authority's Annual Governance Statement published within the annual accounts and approved by this Committee.
- 20 Where actions require additional resources these will be identified and approved through the normal budget setting/service planning and management processes in accordance with Financial Regulations.
- 21 Utility costs are a significant risk that will have a material impact on the Authority's revenue outturn position. Officers will report the anticipated impact to Members in the Q3 revenue monitoring report by which time the new unit rates from Laser, as noted in paragraph 13, and any further updates on government support should have been announced.

#### **HUMAN RESOURCE IMPLICATIONS**

- 22 The additional human resource implications arising directly from this report have been outlined within the risk register actions and can be met from existing employee resources.

#### **LEGAL IMPLICATIONS**

- 23 There are no legal implications arising directly from the recommendations in this report.



## RISK MANAGEMENT IMPLICATIONS

- 24 These are dealt with through the main body of the report and through the revised register. The Lee Valley Ice Centre redevelopment; the Picketts Lock development; the Leisure Services Contract; and the Land & Property Strategy are recognised as the highest corporate risks still facing the organisation at present. Continuing mitigation against these identified risks is demonstrated by the proposed actions in the Strategic Risk Register as set out in Appendix A to this report and primarily through implementing and delivering a Corporate Work Programme for 2023/24 followed by a revised approved Business Plan and Business Plan Objective list. In addition, the Authority will review the current version of the National Risk Register (2020) to consider any relevant implications that could impact on the business of the Authority as a whole.

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## BACKGROUND REPORTS

Lee Valley Regional Park Authority Risk Management Strategy June 2018

## PREVIOUS COMMITTEE REPORTS

Audit Committee	AUD/131/22	Risk Register 2022/23	23 February 2022
Audit Committee	AUD/129/22	Risk Register 2022/23	22 September 2022
Audit Committee	AUD/126/22	Risk Register 2021/22	23 June 2022
Risk Management Workshop			24 March 2022
Audit Committee	AUD/124/22	Risk Register 2021/22	24 February 2022
Audit Committee	AUD/123/21	Risk Register 2021/22	23 September 2021
Audit Committee	AUD/118/21	Risk Register 2020/21	24 June 2021
Audit Committee	AUD/116/21	Risk Register 2020/21	25 February 2021
Audit Committee	AUD/113/20	Risk Register 2020/21	22 October 2020
Audit Committee	AUD/111/20	Risk Register 2020/21	25 June 2020
Executive Committee	E/674/20	Emergency Budget 2020/21	21 May 2020
Audit Committee	AUD/106/20	Risk Register 2019/20	27 February 2020
Audit Committee	AUD/104/19	Risk Register 2019/20	19 September 2019
Audit Committee	AUD/101/19	Risk Register 2019/20	20 June 2019
Audit Committee	AUD/97/19	Risk Register 2018/19	14 February 2019
Audit Risk Workshop			07 June 2018

## APPENDICES ATTACHED

Appendix A	2023/24 Corporate Risk Register – Authority
Appendix B	Risk Scoring Criteria (extract from the approved risk management strategy (June 2022))

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## Risk Appetite

Risks are currently assessed using a 1-9 scale for both impact and likelihood. The Authority's risk appetite is then defined using the scoring matrix below.

<b>Impact</b>	<b>9</b>	9	18	27	36	45	54	63	72	81
	<b>8</b>	8	16	24	32	40	48	56	64	72
	<b>7</b>	7	14	21	28	35	42	49	56	63
	<b>6</b>	6	12	18	24	30	36	42	48	54
	<b>5</b>	5	10	15	20	25	30	35	40	45
	<b>4</b>	4	8	12	16	20	24	28	32	36
	<b>3</b>	3	6	9	12	15	18	21	24	27
	<b>2</b>	2	4	6	8	10	12	14	16	18
	<b>1</b>	1	2	3	4	5	6	7	8	9
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>

**Likelihood**

Those risks with a residual score in the green zone are generally considered to be managed to an acceptable level and hence limited or no further actions would be expected.

For those risks with a residual score in the amber zone, the exposure is considered to be partially acceptable. Further actions would be needed to lower this into the green zone, although a decision has to be made as to whether this is cost effective, given that resources are constrained.

Those risks with a residual score in the red zone are considered to have an exposure that is at an unacceptable level and hence further actions are needed to lower this.

On some occasions a decision may be made to accept a higher level of residual risk, although this will be subject to ongoing review and consideration at both Senior Management Team and Member level.

## Scoring Criteria

Each risk is scored on the basis of the following criteria for impact and likelihood, both for inherent and residual risk. Whilst the assessment remains subjective, these criteria serve as a guide and are used to help ensure consistency in scoring across each of the risks identified.

	<b>Impact</b>	<b>Likelihood</b>
<b>1</b>	No impact	<1% likely to occur in next 12 months
<b>2</b>	Financial loss up to £1,000 or no impact outside single objective or no adverse publicity	1%-5% likely to occur in next 12 months
<b>3</b>	Financial loss between £1,000 and £10,000 or no impact outside single objective or no adverse publicity	5%-10% likely to occur in next 12 months
<b>4</b>	Financial loss between £10,000 and £25,000 or minor regulatory consequence or some impact on other objectives	10%-20% likely to occur in next 12 months
<b>5</b>	Financial loss between £25,000 and £50,000 or impact on other objectives or local adverse publicity or strong regulatory criticism	20%-30% likely to occur in next 12 months
<b>6</b>	Financial loss between £50,000 to £250,000 or impact on many other processes or local adverse publicity or regulatory sanctions (such as intervention, public interest reports)	30%-40% likely to occur in next 12 months
<b>7</b>	Financial loss between £250,000 to 500,000 or impact on strategic level objectives or national adverse publicity or strong regulatory sanctions	40%-60% likely to occur in next 12 months
<b>8</b>	Financial loss between £500,000 to £1 million or impact at strategic level or national adverse publicity or Central Government take over administration	60%-80% likely to occur in next 12 months
<b>9</b>	Financial loss above £1 million or major impact at strategic level or closure/transfer of business	>80% likely to occur in next 12 months