

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, 21 MARCH 2024 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 29 February 2024 (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 **APPRENTICESHIPS UPDATE**

Paper E/847/24

Presented by Victoria Yates, Head of Human Resources

Presented by Dan Buck, Corporate Director

7 Such other business as in the opinion of the Chairman of the meeting is of sufficient urgency by reason of special circumstances to warrant consideration.

8 Consider passing a resolution based on the principles of Section 100A(4) of the Local Government Act 1972, excluding the public and press from the meeting for the items of business listed on Part II of the Agenda, on the grounds that they involve the likely disclosure of exempt information as defined in those sections of Part I of Schedule 12A of the Act specified beneath each item.

**AGENDA
Part II
(Exempt Items)**

9 PROPOSED UNDERLEASE OF TIMBER LODGE
QUEEN ELIZABETH OLYMPIC PARK

Paper E/846/24

Presented by Marigold Wilberforce, Head of Property

Not for publication following the principles of the Local Government Act 1972, Schedule 12A, Part I, Section 3

10 PROPOSED WAYLEAVE FOR UNDERGROUND
ELECTRICITY CABLE AT 52 WHARF ROAD,
BROXBORNE, EN10 6HD

Paper E/848/24

Presented by Marigold Wilberforce, Head of Property

Not for publication following the principles of the Local Government Act 1972, Schedule 12A, Part I, Section 3

11 Such other business as in the opinion of the Chairman of the meeting is of sufficient urgency by reason of special circumstances to warrant consideration.

LEE VALLEY REGIONAL PARK AUTHORITY

**EXECUTIVE COMMITTEE
29 FEBRUARY 2024**

Members Present: Paul Osborn (Chairman) Chris Kennedy
David Andrews (Vice Chairman) Gordon Nicholson
Susan Barker Richard Thake (Deputy for Graham McAndrew)
Heather Johnson

Apologies Received From: Ross Houston, Graham McAndrew

In Attendance: John Bevan, David Gardner

Officers Present: Shaun Dawson - Chief Executive
Beryl Foster - Deputy Chief Executive
Dan Buck - Corporate Director
Jon Carney - Corporate Director
Kevin Bartle - S151 Officer
Keith Kellard - Head of Finance
Marigold Wilberforce - Head of Property
Michael Sterry - Senior Accountant
Julie Smith - Head of Legal
Stephen Bromberg - Head of Communications
Sandra Bertschin - Committee & Members' Services Manager

Part I

301 DECLARATION OF INTEREST

Name	Agenda Item No.	Nature of Interest
Gordon Nicholson	7 & 10	Member of Broxbourne Borough Council <i>Non-pecuniary</i>

302 MINUTES OF LAST MEETING

THAT the minutes of the meeting held on 18 January 2024 be approved and signed.

303 PUBLIC SPEAKING

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

304 Q3 REVENUE BUDGET MONITORING 2023/24

Paper E/841/24

The report was introduced by the Head of Finance.

A Member commended effective treasury management practices and asked in respect of high interest rates were there any opportunities to reduce borrowings. In response it was advised that the Authority had adopted a short-term loan approach to borrowing to take advantage of lower interest rates.

A Member enquired about lower than expected income at the campsites. In response It was advised that demand for the new initiatives and investments was building more slowly than expected, but it was anticipated that ongoing marketing campaigns would increase demand during the year.

(1) the report was noted.

305 Q3 CAPITAL PROGRAMME BUDGET MONITORING 2023/24

Paper E/842/24

The report was introduced by the Head of Finance.

Some Members commented that whilst on a site visit to the East India Dock Basin area they had visited a local café and that this model would be ideal for development at East India Dock Basin.

(1) the report was noted.

**306 LEISURE DEVELOPMENT OPPORTUNITY – AREA 4
LEE VALLEY WHITE WATER CENTRE**

Paper E/843/24

The report was introduced by the Chief Executive highlighting that this proposal was part of a wider process of continual investment to maintain the quality and standard of our world class sports venues.

The Head of Property outlined the site and the marketing process undertaken.

Subsequent to consideration of the Part 2 report (Paper E/844/24):

- (1) the appointment of the preferred bidder outlined in the Part 2 report (Paper E/844/24) on this agenda; and**
- (2) to proceed to the next steps of agreeing Heads of Terms and an Exclusivity Agreement with the preferred bidder was approved.**

307 EXEMPT ITEMS

THAT based on the principles of Section 100A (4) of the Local Government Act 1972, the public and press be excluded from the meeting for the items of business below on the grounds that they involve the likely disclosure of exempt information again on the principles as defined in those sections of Part I of Schedule 12A of the Act indicated:

Agenda Item No	Subject	Exempt Information Section Number
10	Leisure Development Opportunity – Area 4 Lee Valley White Water Centre	3
11	Proposed Disposal of Encroached Land at Hawes Lane, Waltham Abbey	3

308 LEISURE DEVELOPMENT OPPORTUNITY – AREA 4
LEE VALLEY WHITE WATER CENTRE

Paper E/844/24

The Head of Property gave a presentation on the marketing of Area 4.

- (1) the appointment of the preferred bidder outlined in paragraphs 18-23 of Paper E/844/24 and to proceed to the next steps of agreeing Heads of Terms; and
- (2) to proceed to the next steps of agreeing Heads of Terms and an Exclusivity Agreement with the preferred bidder was approved.

309 PROPOSED DISPOSAL OF ENCROACHED LAND AT
HAWES LANE, WALTHAM ABBEY

Paper E/840/24

The report was introduced by the Deputy Chief Executive.

- (1) proceeding with the sale of the encroached land in accordance with the heads of terms set out in paragraph 15 of Paper E/840/24;
- (2) an application be submitted under S21 of the Lee Valley Regional Park Act 1966 to the Secretary of State for consent to the disposal of an interest in land; and
- (3) the signing and sealing of all necessary legal documentation was approved.

Chairman

Date

The meeting started at 10.41am and ended at 11.49am

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APPRENTICESHIPS UPDATE

Presented by Head of Human Resources

EXECUTIVE SUMMARY

Employing apprentices is a productive and effective way to grow talent and to develop a motivated, skilled and qualified workforce as well as being part of effective workforce planning and aligning with business need and growth strategies.

This report provides Members with an update on the current apprenticeships provided at the Authority, the funding of the apprenticeships and potential apprenticeships for the future.

RECOMMENDATION

Members Note: (1) this report.

BACKGROUND

- 1 Apprenticeships allow people of all ages, from school leavers and university graduates, to people who want to further their careers or change career direction to earn while they learn and gain the skills they need to build a rewarding career.
- 2 Apprenticeships are available at different levels, starting from a GCSE equivalent to a university degree equivalent. Training can last from 12 months to 5 years, depending on the level.
- 3 The Authority has been providing apprenticeships since 2013.

APPRENTICESHIP LEVY AND FUNDING

- 4 The Authority pays the Apprenticeship Levy as it has an annual pay bill of more than £3 million.
- 5 The Apprenticeship Levy is paid at a rate of 0.5% of an employer's annual pay bill which is then off-set by the apprenticeship allowance of £15,000.
- 6 The Authority currently pays approximately £12-15k in Apprenticeship Levy each year and the government adds a top-up of 10% to this amount.

- 7 The Authority aims to maximise the Apprenticeship Levy each year and from April 2023 to March 2024 this has all been spent.
- 8 The estimated planned spending for the next 12 months is £11,500 based on the apprentices we currently have.
- 9 Levy funds cannot be used to pay apprentice wages but are used to fund the training for their specific apprenticeship.
- 10 The Authority can also get an additional £1,000 to support an apprentice in the workplace if they are:
- 16 to 18 years old;
 - 19 to 25 years old and have an education, health and care (EHC) plan or has been in the care of their local authority.

This can be used for any costs associated with supporting an apprentice in the workplace. For example, uniforms, salary.

APPRENTICE PAY

- 11 Apprentices must be paid a minimum of the apprentice minimum wage. The current apprentice rate is £5.28 per hour. The Authority does not pay the apprentice rate of National Minimum Wage (NMW), it pays the National Living Wage/National Minimum Wage dependent on the age on the apprentice.
- 12 The rates in the table below are for the National Living Wage (for those aged 23 and over) and the National Minimum Wage (for those of at least school leaving age).

	23 and over (National Living Wage)	21 to 22	18 to 20	Under 18	Apprentice
April 2023 (current rate)	£10.42	£10.18	£7.49	£5.28	£5.28

- 13 These rates and the age ranges will be changing from April 2024, as shown in the table below. So, workers aged 21 and over will be entitled to the National Living Wage.

	21 and over (National Living Wage)	18 to 20	Under 18	Apprentice
April 2024	£11.44	£8.60	£6.40	£6.40

- 14 Officers are currently reviewing apprenticeship pay levels and will report back to Members in due course.

CURRENT APPRENTICES

- 15 The table below shows the current apprenticeships on offer at the Authority. Three of these are apprentices and two are undertaken by existing staff. Apprentices currently make up 2.4% of the Authority's workforce.

Apprenticeship	Training Provider	Level	Duration
Animal Care and Welfare Assistant	Writtle University College	Level 2	18 months
Countryside Ranger	Bridgewater & Taunton College	Level 4	24 months
Information Communications Technician	Newham College	Level 3	18 months
General Welder	South Essex College of Further & Higher Education	Level 2	18 months
Team Leader/Supervisor	MARR Corporation Limited	Level 3	12 months

- 16 Our current apprentices come from a number of different boroughs:
- Enfield;
 - Waltham Forest; and
 - Epping.
- 17 The Authority works with a number of different training providers, both local and national. The training providers selected depend on a number of different elements including what apprenticeships are offered, the method in which the apprenticeship is delivered e.g. online, face to face, and how local the training provider is to the apprentice. Our current training providers are listed in the table above and cover the following areas:
- Chelmsford, Essex;
 - Newham, London;
 - Taunton, Somerset;
 - Southend, Essex; and
 - Cardiff, Wales.
- 18 At the end of the apprenticeships, if there are permanent or fixed term roles available at the Authority, apprentices are encouraged to apply for these and we have a number of previous apprentices now in permanent roles at the Authority.

FUTURE PLANS

- 19 As part of the 2024-2027 Business Plan officers will be looking at succession planning across the Authority to identify critical roles that are fundamental to the Authority's success and how staff can pass on their skills and expertise as well as identifying skills gaps. Apprenticeships will be looked at as part of this process.
- 20 The Marinas have already been identified as an area where apprentices could help with succession planning and skills gaps. So, as part of a restructure that will be brought to Members in the next couple of months, an apprentice at each

of the Marinas will be proposed.

ENVIRONMENTAL IMPLICATIONS

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

FINANCIAL IMPLICATIONS

22 The financial implications are detailed in the body of this report.

HUMAN RESOURCE IMPLICATIONS

23 The Authority is committed to helping our people grow and progress and see the value they can offer. Our apprentices are given hands-on experience in a variety of job roles, to ensure that the Park provides excellent apprenticeships and training programmes to local residents from levying boroughs, developing raw talent and ensuring they have the knowledge and skills to progress in the future. In order to achieve this the Authority will continue to work with local partner agencies to:

- deliver training programmes to meet employment needs of the Authority;
- enable the Authority to attract, retain and develop a skilled and motivated workforce; and
- ensure people from our levying communities are given opportunities to receive the skills, training and support offered as part of the Authority's apprenticeship programme.

LEGAL IMPLICATIONS

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

RISK MANAGEMENT IMPLICATIONS

25 The proposed Apprenticeship scheme mitigates against some of the risks within the Authority's Risk Register. These are:

- SR3.3 - The Authority fails to attract and retain staff of the appropriate calibre.

Increased learning and development initiatives will assist in attracting and retaining highly skilled staff and assist with future succession planning.

EQUALITY IMPLICATIONS

26 A significant benefit of apprenticeships is the potential for a more diverse workforce. Apprenticeships offer opportunities to those from under-represented groups and promotes inclusivity.

Author: Victoria Yates, 01992 709 915, vyates@leevalleypark.org.uk

BACKGROUND REPORTS

None

PREVIOUS COMMITTEE REPORTS

Executive	E/248/12	Introduction of an Authority wide Apprenticeship Scheme	22 Nov 2012
Executive	E/286/13	Apprenticeship Scheme Update	20 June 2013

LIST OF ABBREVIATIONS

NMW National Minimum Wage

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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 29 February 2024 (Paper AUD/144/24), 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/144/24.

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 29 February 2024 (Paper AUD/144/24) – 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/144/24 attached as Annex A to this report.


Author: Simon Clark, 01992 709 893, sclark@leevalleypark.org.uk

PREVIOUS COMMITTEE REPORTS

Audit Committee	AUD/144/24	Risk Register 2023/24	29 February 2024
Audit Committee	AUD/138/23	Risk Register 2023/24	21 September 2023
Executive Committee	E/814/23	Risk Register 2023/24	20 July 2023
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/144/24

 <p>LEE VALLEY REGIONAL PARK AUTHORITY</p> <p>AUDIT COMMITTEE</p> <p>29 FEBRUARY 2024 AT 13:00</p>	<p><u>Agenda Item No:</u></p> <p><u>Report No:</u></p> <p>AUD/144/24</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 September 2023 (Paper AUD/138/23) 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” includes the 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 on-going basis and signed off at each Audit Committee.
- 9 Members last considered the risk register at the Audit Committee in September 2023 (Paper AUD/138/23).
- 10 Since the September Committee, officers have incorporated approved Member revisions, reviewed the register, considered and added potential new risks and updated the scoring. A summary of updates on Risks can be found in Appendix B to this report.
- 11 A new Risk has been added to the register under Governance (SR5) called 'Failure for 2021/22 and 2022/23 accounts to gain audit assurance' (SR5.3). See paragraph 15 and Appendix B to this report for detailed information.
- 12 The table below sets out the movement in managing the residual risks and sets out a summary of the total notional score.

13

Risk	Residual Risks						
	24 Feb 2022	24 June 2022	22 Sept 2022	23 Feb 2023	22 June 2023	21 Sept 2023	29 Feb 2024
	0	0	1	1	1	1	1
	15	18	21	17	16	15	16
	8	8	10	12	13	12	12
Total Risks	23	26	32	30	30	28	29
Notional Score	512	591	759	665	638	596	609

- 14 The key point to note since the last review of the Authority's Strategic Risk Register is the overall increase in the corporate risk register residual notional score. This is due to the addition of a risk to the register. There was a reduction of 3 (three) points across two Risk Areas (SR3.2 and SR4.3) which are outlined in the following paragraph.

- 15 The specific changes to scores are outlined in the following table with the changes to score from the previous paper and the reason for change outlined:

Risk I.D.	Previous Impact Score	Previous Likelihood Score	Total Score	New Impact Score	New Likelihood Score	New Total Score	Change In Score +/-
SR3.2	6	2	12	5	2	10	-2
SR4.3	8	2	16	7	1	7	-9
SR5.3	N/A	N/A	N/A	4	6	24	24
						Total	13

Reasons for movements

SR3.2 Inadequate I.T. Infrastructure/ Systems/Data for new Leisure Services Contract (LSC) - Greenwich Leisure Limited (GLL) had been using the Authority's phone system until they could get a suitable phone system for the venues within the LSC. They have now moved to their own phone system. Having now operated the

venues for over a year, all the IT systems being used by GLL have proven to be adequate for operating our venues.

SR4.3 Failure of GLL to achieve 90% of income target in Year 1, resulting in renegotiation of Year 2 Management Fee - Income levels in Year 1 sufficient that renegotiation not required in respect of income for Year 2+.

SR5.3 Failure for 2021/22 and 2022/23 accounts to gain audit assurance – The Department for Levelling Up, Housing and Communities (DLUHC) & National Audit Office launched a consultation on 8 February 2024 into the process to address the significant delays in the delivery of local authority audits. The DLUHC has suggested that a backstop date of 30 September 2024 be put in place to conclude all outstanding audits up to and including 2022/23. This date is being set to allow auditors time to issue opinions. These may result in modified or disclaimed opinions due to this backstop. There may be governance, reputational, and financials risk associated with failure to secure full assurance, which in turn may result in additional works required for future (2023/24 onwards) audits. The consultation also set out realigning with existing regulations by 2026/27.

The situation is across the whole local authority sector, and not specific to the Authority, although trust in Public Sector accounts may be reduced if a large number of disclaimed/modified opinions are issued.

Early engagement will be essential once the consultation is completed to ensure full assurance by backstop.

16 Ongoing review of all major projects

Buckingham Group Contracting Ltd (BGCL) gave notice of intention to appoint administrators on 17 August 2023 which was then extended on 31 August 2023. This is not causing any operational issues as the building is complete. There is, however, a snagging list, which BGCL had previously been working through, but has not been fully completed. This is progressing well on site and is anticipated to be completed by the summer. The Authority holds retention money and has all sub-contractor warranties in place and the project is therefore in a good overall position despite the administration issue.

- 17 Regarding the LSC and the Authority's tariff risk for utilities, the 2023/24 budget is sufficient for current levels of consumption at known prices to October 2023. Consumption has been reduced through more efficient management practices and the initial LED investment at Lee Valley VeloPark. Further consumption reductions from LEDs at Lee Valley Hockey & Tennis Centre, Lee Valley Athletics Centre, Lee Valley White Water Centre and Lee Valley Riding Centre will further mitigate this risk.**
- 18 Within the September Risk Register report, officers reported that the forecasts from Laser suggest the tariff from October will be lower than anticipated; which was an accurate forecast as the tariffs came in lower than what had been budgeted for.**
- 19 Decisions taken to mitigate these risks will be approved by full Authority and monitoring of these risks is taking place at Executive Committee, along with the Senior Management Team and Heads of Service level.**
- 20 The recommendations made by Mazars following their Risk Management audit will form part of the annual review produced by Mazars.**

- 21 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

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

EQUALITY IMPLICATIONS

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

FINANCIAL IMPLICATIONS

- 24 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.
- 25 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.
- 26 Utility costs are a significant risk that will have a material impact on the Authority's revenue outturn position. Officers will continue to monitor the tariff forecasts from Laser.

HUMAN RESOURCE IMPLICATIONS

- 27 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

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

RISK MANAGEMENT IMPLICATIONS

- 29 These are dealt with through the main body of the report and through the revised register. 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.

Author: Simon Clark, 03000 030 633, sclark@leevalleypark.org.uk

BACKGROUND REPORTS

Lee Valley Regional Park Authority Risk Management Strategy June 2018

APPENDICES ATTACHED

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

ABBREVIATIONS

BGCL	Buckingham Group Contracting Ltd
LSC	Leisure Services Contract
GLL	Greenwich Leisure Ltd
DLUHC	Department for Levelling Up, Housing and Communities

PREVIOUS COMMITTEE REPORTS

Audit Committee	AUD/138/23	Risk Register 2023/24	21 September 2023
Audit Committee	AUD/132/23	Risk Register 2023/24	23 June 2023
Audit Committee	AUD/131/23	Risk Register 2022/23	23 February 2023
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

SR5 Governance & Leadership

SR ID	SR Title	SR Description	SR Category	SR Status	SR Impact	SR Likelihood	SR Severity	SR Risk Score	SR Mitigation	SR Review	SR Date	
SR5.1	CEO	Lack of a clear corporate direction	HoC	High	High	High	High	18	<ul style="list-style-type: none"> Authority meetings SMART Business Plan 2016-19 MTPP to 2024 Levy Strategy Land & Property Strategy 	<ul style="list-style-type: none"> 9 7 63 9 2 18 	↔	<ul style="list-style-type: none"> 31/05/2024
SR5.2	CEO	Impact on the Authority's powers to raise the Levy with resistance from many constituent councils.	HoC	High	High	High	High	9	<ul style="list-style-type: none"> Stakeholder engagement Clear Budget/Levy Direction Funded Financial Plan Statutory Levy Raising Powers Advocacy of Authority 	<ul style="list-style-type: none"> 9 7 63 9 1 9 	↔	<ul style="list-style-type: none"> Quarterly Monitoring 31/05/2024
SR5.3	HoF	Failure for 2021/22 and 2022/23 accounts to have gone audit assurance	HoF	High	High	High	High	24	<ul style="list-style-type: none"> External Audit Regulations & Legislation Public Complaints 	<ul style="list-style-type: none"> 7 7 49 4 6 24 	>	<ul style="list-style-type: none"> 30/09/2024

SR6 Reputation/Communication

SR ID	SR Title	SR Description	SR Category	SR Status	SR Impact	SR Likelihood	SR Severity	SR Risk Score	SR Mitigation	SR Review	SR Date	
SR6.1	HoC	Impact on Authority's reputation due to service failure, damaged stakeholder and/or contractor relationships.	HoC	High	High	High	High	18	<ul style="list-style-type: none"> Venue and service communication plans. Proactive marketing, media relations, speaker engagement and stakeholder engagement 	<ul style="list-style-type: none"> 7 5 35 6 3 18 	>	<ul style="list-style-type: none"> Quarterly Monitoring Report
SR6.2	HoC	Impact on Authority's reputation due to service failure caused by Covid-19 or any similar pandemic or infectious disease, damaged stakeholder and/or contractor relationships.	HoC	High	High	High	High	18	<ul style="list-style-type: none"> Managed via social media, web and digital updates. Media relations, internal communications. Utilisation of new technologies, Venue communications 	<ul style="list-style-type: none"> 8 5 40 6 3 18 	>	<ul style="list-style-type: none"> Quarterly Monitoring Report

SR7 Business Continuity

SR#	Risk	Impact	Frequency	Current Status	Business Risk Score	Strategic Risk Score	Business Risk Score	Strategic Risk Score	Trend	Quarterly Monitoring	Next Review		
SR7.1	CEO	CO	CO	Business Continuity Implementation at any full scale following natural disaster, IT failure including Cyber Terrorism, Flooding, Disease Outbreak (pandemic/flu/seasonal), Terrorism.	6	5	30	5	4	20	>	Quarterly Monitoring	Annual Business Continuity Implementation Further testing and updating. USC Contractor Risk Register - alignment re risk and continuity
SR7.2	CEO	CO	CO	Incidents pandemic or infectious disease management processes in place park with following major pandemic outbreak/further spikes in Covid 19 or other infectious disease and more restrictions including local tier restrictions and national lockdowns	9	7	63	6	6	36	>	Executive Quarterly Monitoring	H & S Recommendations, Implementation Training and reviews of protocols, legal, leadership protocols Updates of communication processes Review of staffing structures to continue business

SR8 Environmental Management

SR#	Risk	Impact	Frequency	Current Status	Business Risk Score	Strategic Risk Score	Business Risk Score	Strategic Risk Score	Trend	Quarterly Monitoring	Next Review		
SR8.1	DCBO	DCBO	DCBO	Failure to manage contamination could be a risk to users, this includes land and/or water contamination (also damage to reputation from failing to manage contamination)	9	7	63	7	2	14	<>	Ongoing monitoring	Ongoing Monitoring plus analysis when land sold/purchased or developed

SR9 Major Business Developments

SR#	Risk	Impact	Frequency	Current Status	Business Risk Score	Strategic Risk Score	Business Risk Score	Strategic Risk Score	Trend	Quarterly Monitoring	Next Review		
SR9.1	CEO	CEO	CEO	Key Centre Failure in Strategic Mile 1-4 above in the development of the Key Centre circa E30m project and Legal Challenge. Key Centre not operational at agreed date	9	8	72	6	4	24	>	Monitoring Approval Business Plan Design Team Engagement stakeholders, users and local community	31/10/2024
SR9.2	CEO	CEO	CEO	Failure to Strategic Mile 5-8 above in the development of the Key Centre circa E30m project and Legal Challenge	8	8	64	7	5	35	>	Monitoring Approval Business Plan Design Team Engagement stakeholders, users and local community	31/09/2024

SR10 Implications of Implementing Land & Property Strategy

SR ID	DCED	Category	Description	Legal Advice - Part Act	EC Reports	8	6	48	4	2	8	↔	Tolerance	31/03/2024
SR10.1	DCED	HOP	Acquisitions- Opportunity Cost of Resources, Reducing Available Resources or Increasing Future Inabilities	Legal Advice - Part Act Part Act L&P Strategy Land Contamination Strategy Medium Term Financial Plan Land & Property Working Group	EC Reports SMT Weekly Meeting Minutes M Exec Monthly M 1/4ly Authority Meetings M Working Groups M Audit Plan	8	6	48	4	2	8	↔	Tolerable Identify Resources Members Decision Ongoing Monitoring Consultation	31/03/2024
SR10.2	DCED	HOP	Disposals - Legal challenges, Reputational Damage, reduced public access or bio diversity, Failure to deliver anticipated capital resources through land disposal due to the constraints imposed by the regional borough/districts and other agencies, e.g. green belt/flood risk/contaminated land	Legal Advice - Part Act Part Act L&P Strategy Medium Term Financial Plan Land & Property Working Group	EC Reports SMT Weekly Meeting Minutes M Exec Monthly M 1/4ly Authority Meetings M Working Groups M Audit Plan	8	7	56	6	3	18	>	Treat Seek External Advice where necessary incl. Planning Context Members Decision Consultation	31/03/2024

SR11 Impact of Brexit on Authority

SR ID	DCED	Category	Description	Legal Advice	EC Reports	7	9	63	6	6	36	>	Treat	Ongoing
SR11.1	DCED	HOP	Failure to Strategic Risks 1-10 above due to changes in the Economic and Business climate brought about by changes following the departure from the European Union	Legal Advice Medium Term Financial Plan General/Capital Reserves Treasury Management Policy Annual Investment Strategy Prudential Code Power to Levy Land & Property Member Group	EC Reports SMT Weekly Meeting Minutes M Exec Monthly M 1/4ly Authority Meetings M Working Groups M Audit Plan EA - Annual Audit Letter	7	9	63	6	6	36	>	Treat Member Potential Land disposal Interest rates Third Party Investors/ stakeholders Legal Framework Pension valuations	Ongoing

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Risk Register updates

Risk ID	Updates
SR2.1	Individual projects should be reviewed in line with financial requirements if they differ from Authority standard
SR2.2	The LSC contract continues to perform well with phase 2 of its investments around the LED light and the Health & Fitness offer at Lee Valley VeloPark being implemented. The H&S and Grounds Maintenance (GM) contract are performing well with an improved monitoring soft where of the GM contract now being fully in place.
SR2.4	Ongoing review of all major projects. Buckingham Group Contracting Ltd gave notice of intention to appoint administrators on 17 August 2023 which was then extended on 31 August 2023. This is not causing any operational issues as the building is complete. There is, however, a snagging list, which Buckingham had previously been working through, but has not been fully completed. This is progressing well on site and is anticipated to be completed by the summer. The Authority holds retention money and has all sub-contractor warranties in place and the project is therefore in a good overall position despite the administration issue. Regarding the LSC and the Authority's tariff risk for utilities, the 23/24 budget is sufficient for current levels of consumption at known prices to October 2023. Consumption has been reduced through more efficient management practices and the initial LED investment at Lee Valley VeloPark. Further consumption reductions from LEDs at Lee Valley Hockey & Tennis Centre, Lee Valley Athletics Centre, Lee Valley White Water Centre and the Lee Valley Riding Centre will further mitigate this risk.
SR3.1	Finance System upgrade delayed until June 2024. Project is being led by Senior Accountant. New solution offered by One Advanced does meet our requirements. Further development being done. Once Finance system has been upgraded the risk can be moved to <> Tolerated. The current system poses a risk to the Authority. Server environment changes in progress, to make Data Centre the primary location and Myddelton House the backup. This will improve resilience and greater flexibility in terms of office space. Physical servers at Data Centre to then be virtualised to cloud hosted. MPLS contract in process of being renewed via procurement process.
SR3.2	Greenwich Leisure Limited (GLL) had been using the Authority's phone system until they could get a suitable phone system for the Venues within the Leisure Services Contract (LSC). They have now moved to their own phone system. Having now operated the venues for over a year, all the IT systems being used by GLL have proven to be adequate for operating our venues.
SR4.1	Ongoing. The MTFP has being updated to reflect changes in inflation, impact of service revision, and changes that directly impact revenue. Continued monitoring of Income, Expenditure, and operational capacity/usage. Utility costs stabilising and expected to remain at similar level for next year. Review of General Fund reserve balance, cash flow monitoring, and inflation/rate change modelling. Capital spend profile updated for current programme delivery. Members approved budget for 2024/25 with a below inflation increase to the Levy of 3%.
SR4.2	Insurance is arranged annually for period October X1 to September X2.

	<p>Liaison required with Insurance brokers with regards to any changes in insurance cover and premiums. Review of insurance property values, and insurable items, to ensure sufficient arrangements/coverage</p>
SR4.3	<p>Income levels in Year 1 sufficient that renegotiation not required in respect of income for Year 2+</p>
SR5.3	<p>The Department for Levelling Up, Housing and Communities (DLUHC) & National Audit Office launched a consultation on 8 February 2024 into the process to address the significant delays in the delivery of local authority audits. The DLUHC has suggested that a backstop date of 30 September 2024 be put in place to conclude all outstanding audits up to and including 2022/23. This date is being set to allow auditors time to issue opinions. These may result in modified or disclaimed opinions due to this backstop. There may be governance, reputational, and financials risk associated with failure to secure full assurance, which in turn may result in additional works required for future (2023/24 onwards) audits. The consultation also set out realigning with existing regulations by 2026/27.</p> <p>The situation is across the whole local authority sector, and not specific to the Authority, although trust in Public Sector accounts may be reduced if a large number of disclaimed/modified opinions are issued.</p> <p>Early engagement will be essential once the consultation is completed to ensure full assurance by backstop.</p>
SR7.1	<p>Staff training provided to all staff on Cybersecurity twice a year. Additional training session focusing on Ransomware done after Cyberattack on GLL.</p>

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.

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

	Impact	Likelihood
1	No impact	<1% likely to occur in next 12 months
2	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
3	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
4	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
5	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
6	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
7	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
8	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
9	Financial loss above £1 million or major impact at strategic level or closure/transfer of business	>80% likely to occur in next 12 months