TEIGNBRIDGE DISTRICT COUNCIL

Audit Scrutiny Committee

26 AUGUST 2020

PART I

Report Title	Strategic and Corporate Risk Report
Purpose of Report	To provide Members with an overview of the current status of the Strategic & Corporate risks.
Recommendation(s)	**The Committee RESOLVES to:** **Note this report and the actions being taken to reduce risks to the achievement of the council's objectives.**
Financial Implications	The financial implications are contained within risk ST02 Failure to control and manage finance and other risks including ST14 Fraud & corruption and ST24 Breach of finance and contract rules. Principal Technical Accountant & Deputy Chief Finance Officer Email: Claire.Moors@teignbridge.gov.uk
Legal Implications	No direct implications beyond effective risk management is key to meeting Council's legal duties. Monitoring Officer Email: Karen.Trickey@teignbridge.gov.uk
Risk Assessment	Effective risk management will aid decision making, focus and make better use of resources, provide a duty of care, comply with legislation, reduce costs, provide a continuity of service and reduce the risk of not meeting the council's objectives. Head of Community Services and Improvement Email: Amanda.Pujol@teignbridge.gov.uk
Environmental/ Climate Change Implications	Environmental and climate change implications have been identified alongside mitigating actions within the Report; the most relevant risks include: ST31 – the impact of not reducing our energy use and contribution to CO_2. ST42 – Failure to deliver the council strategy. ST44 – Flood risk resilience. ST 45 – Flood risk management. Climate Change Officer Email: william.elliott@teignbridge.gov.uk
Report Author	Project Manager Liz.Gingell@teignbridge.gov.uk
Portfolio Holder	Corporate Resources – Cllr Alan Connett
Appendices / Background Papers	Appendix A – Risk Management Strategy Appendix B – Risk report

1. PURPOSE

To provide Members with an overview of the current status of the Council's corporate and strategic risks.

2. BACKGROUND

There are 3 types of risk to manage and these are:

Strategic Risks – these are the big issues that impact heavily on our service delivery or are fundamental changes in the district or something that may cause a lot of bad publicity. These risks are managed by Business Leads and Business or Service Managers.

Corporate Risks – also called 'common risks' because they apply to many sections of the Council and we have corporate processes in place to deal with them e.g. Attacks on staff. These risks are also managed by Business or Service Managers.

Service Risks - These are risks and opportunities that apply primarily to a service and that generally won't have too many consequences on the rest of the Council. These are managed by Business or Service Managers and Team Leaders.

In addition, reports to decision makers (both Members and the Strategic Leadership Team) for major projects or service changes, should include an analysis of risks so these are considered when important decisions are made. These risks may be referred for inclusion in the Corporate or Strategic Risk Registers if they are likely to be significant issues

3. RISK MANAGEMENT STRATEGY

The Strategy in Appendix A sets out our approach to risk management and is reviewed every 2 years.
No changes to the strategy have been recommended for this review.

4. RISK OVERVIEW

Covid 19 has created significant uncertainties for all as we work through the potential impacts. The Council had already moved from being 'risk averse' to 'risk aware' pre Covid and the platform of being 'risk aware' will continue having been heightened by the complexities of Covid 19.

Our operations may be impacted by local lockdowns / economic changes / unemployment and business closures but we will help to manage and support this with the resources we have available and any ongoing/additional support from Government as part of our response and recovery plans.

Risks have been reviewed by Officers who have taken into consideration the impact of COVID-19 on their areas of risk management. This is reflected in the mitigated risk score and status of the mitigations. Where appropriate risk mitigations have been updated and additional work undertaken or ongoing has been noted.

There are 25 risks in the Strategic Risk register which are the risks we consider could impact heavily on our ability to deliver essential services and meet important objectives. In addition there are 12 corporate risks, 'common risks', that apply to many sections of the council and we have corporate processes in place to deal with them.

Of these 37 risks 6 have a very high unmitigated risk score 9 (3x3) i.e. the risk if we took no action to reduce the risk. The risk Responsible Officers have actions (mitigations) in place to reduce the risk scores.

The risk matrix below shows how many risks have very high (9), high (6), medium (3-4) or low (1-2) mitigated risk score, which takes into account the effectiveness of actions (mitigations) to reduce the risk.

- 2 risks have a high impact and high likelihood score of 9 (3x3)
- 8 risks have a high impact and medium likelihood score of 6 (3x2)

<table>
<tr><td rowspan="4">Risk Likelihood</td><td>3 - High</td><td>No Risks</td><td>3 Risks
CP11, ST41, ST40,</td><td>2 Risks
ST02, ST08,</td></tr>
<tr><td>2 - Medium</td><td>No Risks</td><td>8 Risks
ST14, CP01, CP07,
CP12, CP08, ST19,
CP14, ST46,</td><td>5 Risks
ST11, ST20, ST06,
ST42, ST45,</td></tr>
<tr><td>1 - Low</td><td>No Risks</td><td>7 Risks
CP05, ST25, ST21,
ST24, ST31, ST28,
ST32,</td><td>11 Risks
CP13, CP09, ST29,
ST17, ST26, CP16,
ST37, CP03, ST44,
ST43, CP15,</td></tr>
<tr><td></td><td>1 - Low</td><td>2 - Medium</td><td>3 - High</td></tr>
<tr><td></td><td colspan="4" style="text-align:center">Risk Impact</td></tr>
</table>

5. Risk reviews

These are carried out by the risk Responsible Officer monthly for very high (9) risks, quarterly for high (6) twice a year for medium risk (3-4) risks and once a year for ow (2) risks. This includes a review of each risk, its mitigations and risk impact and likelihood scores.

In addition to the regular reviews, meetings with the Risk Responsible officer and those managing the risk are held to review the scope of the risk, causes and impact, and mitigations in more depth.

6. RISK REPORTS

A report listing the Corporate & Strategic risks is provided as Appendix B

Details of those risks with 'Action Needed' mitigations status' are provided below.

ST02 Failure to control and manage finance

Mitigation Status	Mitigation	Info
Action needed	Budget review	The budget is subject to an ongoing review to identify areas of concern with a resulting monthly report to SLT/CMT and quarterly report to Executive and budget realignment in conjunction with additional support from Government
Action needed	Budget risk analysis	Part of the budget process is a sensitivity and risk analysis where key factors are identified and assessed with a summary and conclusion by the Chief Finance Officer.
Action needed	General reserves monitoring	General Reserves are set annually and monitored regularly to ensure a minimum requirement is maintained to cover major budget variations. Reserves are being maintained at approximately £2m for the next three years. This will allow us to take advantage of opportunities to increase income and deal with unexpected budget pressures. This continues to be monitored as part of the ongoing changes in predicted income levels.
Action needed	Service reviews	Business challenge exercise (now BEST 2020) completed annually. This identifies budget pressures and savings, which are closely monitored.

ST02 Review Note: COVID19 pandemic has put severe strain on economy and local authority income streams. Monitoring lost income and clarification of funding from Govt is crucial during this financial year plus monthly monitoring of all budgets and savings exercise in progress to mitigate.
Government funding is being provided to support income from fees and charges and sales but not property rents, council tax or business rates

Budget review – action needed – this is in progress – we have identified savings and have now received details of the latest announcement by government to cover 75% of fees and charges income. We will use this to realign the budget in September and in advance of next years budget round. The S151 Officer is sending monthly returns to government and monitoring almost weekly the changes to income streams/operations etc.

Budget risk analysis – action needed - we do this as part of the budget process but will include the ongoing impact of Covid 19 as best we can in terms of larger variations in income and government support moving forward.

General reserves monitoring – action needed – ongoing thoughts on this in line with government expectations and the level of earmarked reserves we have and how they could be utilised to smooth any losses incurred each year as a result of Covid 19.

Service reviews – action needed - we will revisit all BEST2020 suggestions and

any new ideas to bridge the funding gap – identify which are still viable in the current economic climate or have been delayed and refined budgets to reflect the new reality. This will still be part of the ongoing identification of savings and efficiencies. This will feed into either the revised budget for September or the new year budget setting process.

ST08 Economic uncertainty

Mitigation Status	Mitigation	Info
Action needed	Financial Management	Regular monitoring of revenue & capital budgets checking for major variations which impact on the level of reserves. This includes new homes bonus, community infrastructure levy, council tax support, and business rates retention monitoring. These can indicate fluctuations in the economy & lead to the requirement to re-align resources.

ST08 Review Note: Financial Management - Current pandemic has detrimental impact on economy so additional monitoring and reporting of all income and expenditure, council tax and business rate collection, level of reserves and possible/available government financial support both for the council and local businesses/residents. Regular updates by S151 Officer to management team, members and government.

We have identified savings and are working through the detail of the latest announcement by government to cover 75% of fees and charges and sales income. We will use this to realign the budget in September and in advance of next year's budget round.

ST21 Failure to ensure data quality

Mitigation Status	Mitigation	Info
Action needed	Data Quality Policy	Data Quality Policy in place a reviewed on a regular basis
Action needed	Raising staff awareness of data quality	Raising staff awareness of data quality through internal communications, including the Customer Access and Business Improvement Group, and MetaCompliance messaging as appropriate

ST21 Review Note: Following the departure of the Business & Improvement Team Leader the customer access and improvement group has transferred to communications and a new schedule of meetings needs to be arranged.

The newly created Business and performance analyst post is out to advert.

During the COVID emergency, internal audit assisted the Revenue and Benefits Team with the verification of business data provided to Councils to award business grants and minimise fraud

ST37 Failure of ICT infrastructure and systems not meeting business needs or not being fit for purpose

Mitigation Status	Mitigation	Info
Action needed	Strata Business plan approved annually	The Strata Business Plan sets out the intended projects and identifies funding

ST37 Review Note: During the COVID crisis the organisation moved to almost 100% home working. The architecture proven to no impact or degradation in delivery of services
and the infrastructure enabled us to work remotely.

The global communications project has enabled us to continue to deliver telephony services to the public and the investment in the One Teignbridge project enabled us to develop online forms and processes to support communities and businesses.

Further investment in IT is being prioritised to enable further flexibility of staff to work from home in future and an exercise has undertaken to review Strata's business plan and priorities going forward. This will delay approval of the plan by full council until the Autumn.

ST46 Failure of ICT security measures leading to a cyber attack

Mitigation Status	Mitigation	Info
Action needed	Cyber security awareness training	All staff to complete e-learning/awareness training on cyber security
Action needed	Mobile device/agile working policy	Mobile device/agile working policy that includes guidance on working outside of our managed offices areas and the use of own devices/pc's/laptops

ST46 Review Note: The Dojo training on cyber security for staff/councillors has been refreshed and includes a 12 month refresher module for staff/Cllrs to complete annually. A date needs to be set to roll this out and annual reminders to complete refresher training needs to be put in place.

The mobile device/agile working policy will be reviewed in light of rollout of laptops throughout the organisation and reminders.

On behalf of the Council, Strata has maintained compliance with the Government PSN (Public Services Network) Code of Connection, which is a mandatory set of security standards Councils must meet in order to connect to the PSN but are now also used more widely as a security credential including the DWP. We also follow the National Cyber Security Centre's (NCSC) 10 Steps to Cyber Security, the Open Web Application Security Project (OWASP) website principles and use the NCSC WebCheck, MailCheck, Protective Domain Name System (DNS), DNS and the Early Warning vulnerability service. Strata are working towards Cyber Essentials Plus.

7. Major projects/service changes

The current major council projects are listed in the table overleaf, which provides assurance that project risks have been assessed and registers or strategic risks are in place and being managed.

The One Teignbridge Transformation Board meets monthly to review major systems and the digital platform projects. This includes a review of the project risk registers. The Capital Review Group meets every other month to review projects in the capital programme including key risks and issues.

T10	Title	Description	Responsible Officer(s)	Current Risk Register
GP	Energy Services Company	Formation of a public sector joint venture energy company to provide district heating networks	Fergus Pate	To be Developed
GP	GESP	Joint Local Plan with Exeter, East Devon & Mid Devon	Michelle Luscombe	See ST40, 41, 43
IIP	Newton Abbot Town Centre Development and Market Walk	Newton Abbot town centre masterplan focussing on the re-development of the Markets area, Bradley Lane and Cricketfield Road car park	Tom Butcher	Yes
IIP	Brunswick Street, Teignmouth re-development	Delivery plan in process, focusing on re-development of vacant Brunswick Street sites, George St & Northumberland Place	Tom Butcher	Yes
IIP	Sherbourne House	Delivery of NHS hub and 10 apartments	Tom Butcher	Yes
IIP	East Street and Drake Road	Development of two Council owned parcels of land to deliver 7 social rented homes. Approved by Full Council 19th November 2019. Updated risk register contained as part of Full Council Report which was acknowledged and approved.	Graham Davey, Pete Briscoe	Yes – being reviewed

T10	Title	Description	Responsible Officer(s)	Current Risk Register
OAA	Leisure Centre Refurbishment	New Project - Delivery phase of Leisure centre refurbishment for Broadmeadow and Dawlish to be developed	James Teed / Leigh Florence	To be developed
VVC	Digital Platform	Digital platform to improve digital access to services and streamlining of processes. Mobile access for officers in the field	Amanda Pujol	Yes
VVC	Midland iTrent	HR/Payroll data management IT system	Martin Flitcroft, Tim Slater	Yes
VVC	Financial Management System	New Financial Management System	Martin Flitcroft	To be developed

8. ALTERNATIVE OPTIONS

None, risk management is a mandatory function of the Council.

9. CONCLUSION

Effective risk management will aid decision making, focus and make better use of resources, provide a duty of care, comply with legislation, reduce costs, provide a continuity of service and reduce the risk of not meeting the council's objectives.