

# TEIGNBRIDGE DISTRICT COUNCIL

## Audit Scrutiny Committee

17 DECEMBER 2020

### PART I

<b>Report Title</b>	<b>Strategic and Corporate Risk Report</b>
<b>Purpose of Report</b>	To provide Members with an overview of the current status of the Strategic & Corporate risks.
<b>Recommendation(s)</b>	<b>The Committee RESOLVES to: Note this report and the actions being taken to reduce risks to the achievement of the council's objectives.</b>
<b>Financial Implications</b>	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: <a href="mailto:Claire.Moors@teignbridge.gov.uk">Claire.Moors@teignbridge.gov.uk</a>
<b>Legal Implications</b>	No direct implications beyond effective risk management is key to meeting Council's legal duties. Monitoring Officer Email: <a href="mailto:Karen.Trickey@teignbridge.gov.uk">Karen.Trickey@teignbridge.gov.uk</a>
<b>Risk Assessment</b>	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: <a href="mailto:Amanda.Pujol@teignbridge.gov.uk">Amanda.Pujol@teignbridge.gov.uk</a>
<b>Environmental/ Climate Change Implications</b>	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 <sub>2</sub> . ST42 – Failure to deliver the council strategy. ST44 – Flood risk resilience. ST 45 – Flood risk management. Climate Change Officer Email: <a href="mailto:william.elliott@teignbridge.gov.uk">william.elliott@teignbridge.gov.uk</a>
<b>Report Author</b>	Project Manager <a href="mailto:Liz.Gingell@teignbridge.gov.uk">Liz.Gingell@teignbridge.gov.uk</a>
<b>Portfolio Holder</b>	Corporate Resources – Cllr Alan Connett
<b>Appendices / Background Papers</b>	Appendix A – 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 OVERVIEW

Since the last report in August an audit of risk management arrangements has just been completed which gave the system a Good assurance rating. The finalised report will be available to Audit Scrutiny Members soon.

Covid 19 continues to create 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.

A new risk ST47 Impact of Covid-19 on service delivery & resourcing has been added to the strategic risk register.

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.

Risk ST43 was Failure to adopt Local Plans: Greater Exeter Strategic Plan and Teignbridge Local Plan Review this has been changed to Failure to adopt Teignbridge Local Plan. This is due to the Local Plan progressing as the sole statutory development plan for the district following issues with the Greater Exeter Strategic Plan (GESP) project. A report will be taken to the 1 Dec Executive with a revised timetable for Local Plan preparation, incorporating all strategic aspects previously included within the GESP.

There are 26 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 38 risks 2 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)

Corporate & Strategic Risk Matrix				
Risk Likelihood	1 - High	No Risks	1 Risk <u>ST41,</u>	2 Risks <u>ST02, ST08,</u>
	2 - Medium	1 Risk <u>CP07,</u>	12 Risks <u>ST14, CP01, CP11, CP12, CP08, ST21, ST19, ST09, ST06, ST40, CP14, ST46,</u>	7 Risks <u>CP09, ST29, ST11, ST20, ST42, ST45, ST47,</u>
	1 - Low	1 Risk <u>CP05,</u>	7 Risks <u>ST26, ST25, ST24, ST31, ST28, ST32, ST43,</u>	7 Risks <u>CP13, ST17, CP16, ST37, CP03, ST44, CP15,</u>
		1 - Low	2 - Medium	3 - High
Risk - Impact				

#### **4. 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 low (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.

#### **5. RISK REPORTS**

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

Details of those risks with 'Action Needed' mitigations status' and a very high mitigated status of 9, are provided below.

##### **ST02 Failure to control and manage finance**

**Risk mitigated status: 9 – very high**

**Mitigations:**

All mitigations are in place and have been assessed as 'Action ongoing'.

**Review Note:**

COVID19 pandemic has put severe strain on economy and local authority income streams. Monitoring lost income and clarification of funding from Government 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 changes and sales but not property rents, council tax or business rate.

Government guidance has been amended to allow more facilities to open which has slightly reduced the financial impact on services. Financial assistance from Government will still be required together with ongoing reviews of the authority's expenditure, income, savings and reserves

##### **ST08 Economic uncertainty**

**Risk mitigated status: 9 – very high**

**Mitigations:**

All mitigations are in place and have been assessed as 'Action ongoing'.

**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 have worked through the detail of the announcement by government to cover 75% of fees and charges and sales income. We used this to realign the budget for 20/21 in September and agreed at Full Council and in advance of next year's budget round which is being considered in December 20/January 21 in conjunction with the provisional settlement and any other additional Government funding which may be provided.

## ST20 Poorly managed Election

**Risk mitigated status: 6 - high**

Mitigation Status	Mitigation	Info
Action needed	Risk management workshop	A Risk Management workshop is held as part of the preparation for major elections

### ST20 Review note:

We are still awaiting guidance from government on how to run elections during the Covid pandemic. This is now expected in November. If the current situation persists then running elections next May will present us with many significant challenges, some of which it will be very difficult to fully mitigate for. As soon as guidance for elections in 2021 is received a risk management workshop will be arranged.

## ST21 Failure to ensure data quality

**Risk mitigated status: 4 - medium**

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:

The performance and data analyst post is out to advert for the second time due to lack of suitable applicants

The Data Quality policy needs to be reviewed.

Meta compliance has been renewed but need to develop a schedule of what policies to put on it.

Project management toolkit in place for staff and large corporate projects managed through the Business Transformation Team.

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

**Risk mitigated status: 3 - medium**

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:**

Draft business plan 21/22 is being discussed with LAs currently and draft to be circulated week beginning 22 November.

Work is ongoing to look at VFM and benchmarking.

## **ST46 Failure of ICT security measures leading to a cyber attack**

**Risk mitigated status: 4- medium**

Mitigation Status	Mitigation	Info
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 Cyber Security training has now been rolled out and staff are in the process of completing modules. A system has been set up to capture new starters. The status of this action has therefore been set to "ongoing" as we will now be monitoring completion and dealing with new staff as business as usual.

Cyber essentials is postponed until March as compliance is reliant on the Windows 10 upgrade which will not be completed until then.

The PSN IT Health Check took place in September with an overall good result and Strata are working through the remediation points in preparation for certification in December.

## **6. 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.

<b>T10</b>	<b>Title</b>	<b>Description</b>	<b>Responsible Officer(s)</b>	<b>Current Risk Register</b>
GP	Energy Services Company	Formation of a public sector joint venture energy company to provide district heating networks	Fergus Pate	To be Developed
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 19 <sup>th</sup> November 2019. Updated risk register contained as part of Full Council Report which was acknowledged and approved.	Graham Davey, Pete Briscoe	Yes – being reviewed
OAA	Leisure Centre Refurbishment	New Project - Delivery phase of Leisure centre refurbishment for Broadmeadow and Dawlish to be developed	James Teed / Leigh Florence	Project on hold
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

## **7. ALTERNATIVE OPTIONS**

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

## **8. 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.