

**Teignbridge District Council  
Audit Scrutiny Committee  
24 August 2021  
Part i**

## **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:

- (1) Note 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

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### **Legal Implications**

No direct implications beyond effective risk management is key to meeting Council's legal duties.

Monitoring Officer

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### **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

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### **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<sub>2</sub>. ST42 – Failure to deliver the council strategy. ST44 – Flood risk resilience. ST45 – Flood risk management.

Climate Change Officer  
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## Report Author

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## Executive Member

Corporate Resources – Cllr Alan Connett

## Appendices/Background Papers

Appendix A – Risk report

## PURPOSE

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

## 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

## RISK OVERVIEW

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-19 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.

The risk ST47 Impact of Covid-19 on service delivery & resourcing has been used to monitor the ongoing impact.

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 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 11 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.

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

Corporate & Strategic Risk Matrix			
Risk Likelihood	3 - High	No Risks	3 Risks <u>ST02</u> , <u>ST08</u> , <u>ST41</u> , No Risks
	2 - Medium	No Risks	11 Risks <u>CP01</u> , <u>CP12</u> , <u>CP08</u> , <u>ST37</u> , <u>ST19</u> , <u>ST09</u> , <u>ST06</u> , <u>ST40</u> , <u>CP14</u> , <u>ST46</u> , <u>CP11</u> , 7 Risks <u>CP09</u> , <u>ST29</u> , <u>ST17</u> , <u>ST11</u> , <u>ST20</u> , <u>ST42</u> , <u>ST45</u> ,
	1 - Low	2 Risks <u>CP05</u> , <u>ST26</u> ,	10 Risks <u>ST14</u> , <u>CP13</u> , <u>CP07</u> , <u>ST25</u> , <u>ST24</u> , <u>ST21</u> , <u>ST31</u> , <u>ST28</u> , <u>ST32</u> , <u>ST43</u> , 4 Risks <u>CP16</u> , <u>ST44</u> , <u>CP15</u> , <u>ST47</u> ,
		<b>1 – Low</b>	<b>2 – Medium</b>
<b>Risk - Impact</b>			

## 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.

## RISK REPORTS

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

Details of those risks with 'Action needed' mitigations statuses or a very high mitigated status of 9, are provided below. The 'Action needed' statuses are colour coded to match the risk matrix above.

### CP11 Breach of code of conduct by members

#### Risk mitigated status: 6 – high

Mitigation Status	Mitigation	Info
Action needed	Member engagement to meet Council duty (promote & maintain high standards of conduct)	Centre for Governance and Scrutiny is currently working with officers and Members to assist Members in this regard, addressing uncertainties in relation to roles and responsibilities, values and behaviours, mechanics of debate and agreeing a way forward with suggestions for the Councils ethical framework'

Review note: Update 29.07.21 on action taken to address outstanding mitigation: proposed LGA review of standards is in part being progressed by CFGS as part of wider review of governance and scrutiny; new code updated on 22.4.21 with detailed commentary; standards / conduct training taking account of any CFGS report recommendations is due to be included in Procedures Committee work in autumn 21 by DMO.

**ST06 Statutory requirements not met**

**Risk mitigated status: 4 - medium**

Mitigation Status	Mitigation	Info
Action needed	Ensure appointment of appropriate professional and technical Officers	Ensure that appropriate professional and technical officers are appointed across the authority to ensure that legislative and procedural requirements are met

Review note: The system currently in place to ensure that reports to committee, Executive and full Council are being reviewed from a corporate governance perspective helps ensure statutory requirements are met. In order to address key issues in a more timely and efficient fashion and assist in pursuit of savings required in the medium and long term corporate analysis of management of time and resources and sufficient skill sets to oversee the increasing number of reports and management of projects is being investigated. This is required to ensure all grant conditions and timings are met.

**ST29 Failure to maintain sufficient management capacity & capability**

**Risk mitigated status: 6 - high**

Mitigation Status	Mitigation	Info
Action needed	Leadership training programmes for managers and supervisors	Leadership training programmes for managers and supervisors
Action needed	Staff have the necessary skills for future new models of service delivery	Staff have the necessary skills for future new models of service delivery

Review note: This was reviewed at SLT on 7th July. Some mitigations/actions need updating. 9 mitigations on going and 2 actions needed on training programmes and staff skills development. HR are putting together training programmes which will take place in September 2021 which covers the two actions needed.

## ST32 Non-compliance with Section 106 agreements and CIL notices

**Risk mitigated status: 2 - low**

Mitigation Status	Mitigation	Info
Action needed	Monitor monies received from time constrained S106 agreements and not yet spent	Spread sheet provided by accountants used to monitor monies received and discuss with departments at meetings

Review note: We have an ongoing project to get S106 agreements into Exacom to enable better monitoring. This is a key integration requirement for our future FMS. Significant non-compliance is very unlikely and we have taken legal action on these previously.

### 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	TBA	Yes
GP	GESP	Joint Local Plan with Exeter, East Devon & Mid Devon	Michelle Luscombe / Alex Lessware	See ST40, 41, 43
IIP	Newton Abbot Town Centre Development	Bradley Lane redevelopment	Tom Butcher	Yes
IIP	Newton Abbot Town Centre Development	Newton abbot garden community project	Fergus Pate	To be developed
IIP	Future High Street Fund	New cinema	Tom Butcher/Leigh Florence	Yes
IIP	Future High Street Fund	Market Hall / Alexandria cinema refurbishment	Tom Butcher/Louisa Brinton	Yes
IIP	Future High Street Fund	Queen street public realm improvements	Estelle Skinner / DCC	Yes

IIP	Future High Street Fund	National cycle network 2 improvements	Estelle Skinner / DCC	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	East Street and Drake Road	Development of two Council owned parcels of land to deliver 7 social rented homes. East street is progressing well and Drake Road is close to completion.	Graham Davey, Pete Briscoe	Yes
OA A	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

## ALTERNATIVE OPTIONS

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

## 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.