

Thurrock - An ambitious and collaborative community which is proud of its heritage and excited by its diverse opportunities and future

Standards and Audit Committee

The meeting will be held at **7.00 pm** on **23 February 2023**

Committee Room 2, Civic Offices, New Road, Grays, Essex, RM17 6SL

Membership:

Councillors Elizabeth Rigby (Chair), James Thandi (Vice-Chair), Gary Collins, Steve Liddiard, Kairen Raper and Allen Mayes

Charles Clarke

Substitutes:

Councillors Adam Carter, Shane Ralph, Sue Sammons, Lee Watson and Lynn Worrall

Agenda

Open to Public and Press

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1 Apologies for Absence	
2 Minutes	5 - 12
To approve as a correct record the minutes of the Standards and Audit Committee meeting held on 24 November 2022.	
3 Items of Urgent Business	
To receive additional items that the Chair is of the opinion should be considered as a matter of urgency, in accordance with Section 100B (4) (b) of the Local Government Act 1972.	
4 Declaration of Interests	
5 Audit Progress Report for Year Ended 31 March 2022 - Verbal Update	

6	In Quarter 4 Review of the Strategic/Corporate Risk and Opportunity Register	13 - 72
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Queries regarding this Agenda or notification of apologies:

Please contact Rhiannon Whiteley, Senior Democratic Services Officer by sending an email to Direct.Democracy@thurrock.gov.uk

Agenda published on: **15 February 2023**

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DECLARING INTERESTS FLOWCHART – QUESTIONS TO ASK YOURSELF

Breaching those parts identified as a pecuniary interest is potentially a criminal offence

Helpful Reminders for Members

- *Is your register of interests up to date?*
- *In particular have you declared to the Monitoring Officer all disclosable pecuniary interests?*
- *Have you checked the register to ensure that they have been recorded correctly?*

When should you declare an interest *at a meeting*?

- **What matters are being discussed at the meeting?** (including Council, Cabinet, Committees, Subs, Joint Committees and Joint Subs); or
- If you are a Cabinet Member making decisions other than in Cabinet **what matter is before you for single member decision?**



Does the business to be transacted at the meeting

- relate to; or
- likely to affect

any of your registered interests and in particular any of your Disclosable Pecuniary Interests?

Disclosable Pecuniary Interests shall include your interests or those of:

- your spouse or civil partner's
- a person you are living with as husband/ wife
- a person you are living with as if you were civil partners

where you are aware that this other person has the interest.

A detailed description of a disclosable pecuniary interest is included in the Members Code of Conduct at Chapter 7 of the Constitution. **Please seek advice from the Monitoring Officer about disclosable pecuniary interests.**

What is a Non-Pecuniary interest? – this is an interest which is not pecuniary (as defined) but is nonetheless so significant that a member of the public with knowledge of the relevant facts, would reasonably regard to be so significant that it would materially impact upon your judgement of the public interest.

Pecuniary

If the interest is not already in the register you must (unless the interest has been agreed by the Monitoring Officer to be sensitive) disclose the existence and nature of the interest to the meeting

If the Interest is not entered in the register and is not the subject of a pending notification you must within 28 days notify the Monitoring Officer of the interest for inclusion in the register

Unless you have received dispensation upon previous application from the Monitoring Officer, you must:

- Not participate or participate further in any discussion of the matter at a meeting;
- Not participate in any vote or further vote taken at the meeting; and
- leave the room while the item is being considered/voted upon

If you are a Cabinet Member you may make arrangements for the matter to be dealt with by a third person but take no further steps

Non- pecuniary

Declare the nature and extent of your interest including enough detail to allow a member of the public to understand its nature



You may participate and vote in the usual way but you should seek advice on Predetermination and Bias from the Monitoring Officer.

Our Vision and Priorities for Thurrock

An ambitious and collaborative community which is proud of its heritage and excited by its diverse opportunities and future.

1. **People** – a borough where people of all ages are proud to work and play, live and stay
 - High quality, consistent and accessible public services which are right first time
 - Build on our partnerships with statutory, community, voluntary and faith groups to work together to improve health and wellbeing
 - Communities are empowered to make choices and be safer and stronger together

2. **Place** – a heritage-rich borough which is ambitious for its future
 - Roads, houses and public spaces that connect people and places
 - Clean environments that everyone has reason to take pride in
 - Fewer public buildings with better services

3. **Prosperity** – a borough which enables everyone to achieve their aspirations
 - Attractive opportunities for businesses and investors to enhance the local economy
 - Vocational and academic education, skills and job opportunities for all
 - Commercial, entrepreneurial and connected public services

Minutes of the Meeting of the Standards and Audit Committee held on 24 November 2022 at 7.00 pm

- Present:** Councillors James Thandi (Vice-Chair), Gary Collins, Steve Liddiard, Kairen Raper and Adam Carter (Substitute) (substitute for Elizabeth Rigby)
- Apologies:** Councillors Elizabeth Rigby, Allen Mayes and Charles Clarke (Co-Optee Member)
- In attendance:** Gary Clifford – Chief Internal Auditor
Michael Dineen – Assistant Director Counter Fraud, Enforcement & Community Safety
Lee Henley – Strategic Lead Information Management
John Jones – The Director of Legal & Governance & Monitoring Officer
Rhiannon Whiteley, Senior Democratic Services Officer
-

Before the start of the Meeting, all present were advised that the meeting may be filmed and was being recorded, with the audio recording to be made available on the Council's website.

20. Minutes

The minutes of the Standards and Audit Committee held on 20 October 2022 were approved as a correct record.

21. Items of Urgent Business

There were no items of urgent business.

22. Declaration of Interests

No interests were declared.

23. Regulation of Investigatory Powers Act (RIPA) Activity Report 2022/23 (April - September)

The Strategic Lead for Information presented the report. He explained that the Regulation of Investigatory Powers Act (RIPA) allows the council to undertake methods of covert surveillance however it must be necessary and proportionate to the crime and it must only be used as a last resort. Section 3.1 of the report confirms the levels of RIPA activity are low however it is still a requirement for the report to be brought to the Committee.

Councillor Collins queried whether there are other things going on that cannot be shown in the report.

The Strategic Lead for Information Management clarified that there had been one directed surveillance request which is mentioned in 3.1 of the report, further details about this request and investigation cannot be provided to the Committee due to data protection and so as not to compromise any investigation. The Strategic Lead for Information Management confirmed that the Fraud and Trading Standards teams are the main users of the RIPA Act at the Council. They may use other methods of surveillance or investigation and they work with the Police too and therefore the Police may use their powers as opposed to using the Council's powers under RIPA.

RESOLVED

1.1 To note the statistical information relating to the use of RIPA for the period April 2022 to September 2022

24. Internal Audit Charter 2022

The Chief Internal Auditor confirmed that the Internal Auditor Charter would normally be brought before the Committee every 2 years however, due to a change in directorate it has been brought to the Committee. The Internal Audit Charter is a formal document that defines the Internal Audit Services' purpose, authority and responsibility. The Internal Audit Charter establishes the internal audit's position within the Council, including the nature of the Head of Internal Audit's functional reporting relationship with the Standards & Audit Committee; authorises access to records, personnel and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities. Final approval of the Internal Audit Charter lays with the Standards & Audit Committee.

Councillor Carter queried what has changed in the Charter.

The Chief Internal Auditor confirmed it is purely job titles other than that it is the same as it was when it was presented to the committee last year.

Councillor Collins stated that in light of recent developments he would like to see it evidenced in bank statements details of income and outgoings and items relating to investments. He commented that if we are going to learn from our mistakes this is the best way to go. He queried if the Chief Internal Auditor could think of any other ways to protect the Council's finances going forward.

The Chief Internal Auditor responded that this would be the function of the S151 Finance officer. At the moment they are holding fire and waiting to see what the outcome of the Best Value Inspection and intervention as it is likely to impact the audit planning for next year.

Councillor Collins queried if the report only dealt with the audit of systems. The Chief Internal Auditor agreed.

Councillor Raper queried if the Chief Internal Auditor had any concerns relating to risk management.

The Chief Internal Auditor responded that they completed an audit 3 years ago and in line with what was reported to the Standards and Audit Committee, risk management was considered robust at a corporate level but at an operational level more needed to be done.

Councillor Collins queried whose responsibility it is to check an organisations investments are there and solid,

The Chief Internal Auditor stated that he imagined it was part of the work done initially when investments were set up as part of the diligence. His team would only audit the process – that the council did do the due diligence checks and rely on the information they are told in response.

Councillor Raper queried if the delays faced with the audit has hampered the team's effectiveness. The Chief Internal Auditor agreed it had.

Councillor Collins stated he was not happy to agree the recommendation.

The Director of Legal and Governance and Monitoring Officer queried if he wants to change the recommendation or add to the recommendation or does he want to move something else and if someone is happy to second that, it can be moved. If you think something wasn't robust enough, you need to be able to say that and have it recorded. If members would like more detail in the audit report as to what has been audited, how the audit takes place and what would the audit take into account and how it would be approached then they can request that level of detail.

Councillor Liddiard queried if there could be recommendations from officers to improve the robustness of the audit charter given the investment problems.

The Director of Legal and Governance and Monitoring Officer confirmed the starting point is they need to have a fuller understanding of the process and this may then lead to members being able to raise that point.

Councillor Carter asked what the timeframe for signing off the audit charter is. The Chief Internal Auditor responded that there isn't a timeframe and there is an audit protocol he could bring to the next committee which goes through how his team complete their work.

The Director of Legal and Governance and Monitoring Officer agreed that those two reports would sit nicely together.

Councillor Carter proposed that the report is deferred to the next meeting. Councillor Collins seconded it.

25. Counter Fraud & Investigation Quarterly Update (Q2)

The Assistant Director for Counter Fraud, Enforcement & Community Safety presented the report. He explained the report was a quarterly report brought to the Committee. In section 3 of the report the quarter 2 performance is set out and confirmed that there has been 25 reports of suspected fraud, 20 of which have been closed as the outcome was no fraud. There were 3 successful sanctions of proven fraud. Currently, the team has got 123 live investigations but the numbers can fluctuate up and down on a daily basis. The work plan is set out in appendix 1.

The Counter Fraud team has separated from NATIS (National Investigation Service) so they will be reviewing the work plan. A lot of the capabilities which sit with NATIS will need to be re-looked at. NATIS will still try and assist the Counter Fraud team where possible. A new work plan will be ready at the next meeting for the committee to review.

Councillor Liddiard confirmed that at a recent Housing Overview and Scrutiny meeting they were told there were 650 homes of multiple occupation in Thurrock which have not been licensed with a possible loss of £700 - 800k. He queried if this will be considered as a project for the future.

The Assistant Director for Counter Fraud, Enforcement & Community Safety agreed that he will work with colleagues in housing and ensure it is placed on the work plan.

Councillor Collins requested if the Assistant Director could expand on the changes as a result of CFI and NATIS being separated.

The Assistant Director of Counter Fraud, Enforcement & Community Safety confirmed that NATIS has always been ring-fenced and CFI has worked alongside it. Due to the size and level of the work NATIS is now doing they have had to separate them. The capabilities and specialisation will remain. There are a large number of officers in NATIS which is funded externally and for things like the Cyber crime response, this may have to be re-assessed.

Councillor Raper thanked the Assistant Director of Counter Fraud, Enforcement & Community Safety for attending the meeting at what must be a very difficult time for him.

RESOLVED

1.1 The Standards and Audit Committee noted the report.

26. Complaints received under the Members' Code of Conduct

The Director of Legal and Governance and Monitoring Officer presented the report to the Committee. He confirmed it was a regular report brought to the Committee and the last one was in July. Since the last report there has been one additional complaint. Page 36 of the report shows there have been 6 complaints received, one of which is still being assessed. For 3 of the complaints, no breach of the code of conduct was found, one of the complaints was dealt with by an apology and in relation to the other complaint it was found the Councillor was not acting in their capacity as a Councillor.

The Director of Legal and Governance and Monitoring Officer clarified that if a breach is found to have taken place an outcome would need to be reached and a report made to Full Council. He stated that there is a high bar to breach the code of conduct and the first hurdle to get over is whether the person was acting in their capacity as a Councillor at the time.

Councillor Carter welcomed the Director to his new role and queried if the new ethical standards and code of conduct had an impact on any of the barriers to finding a breach.

The Director of Legal and Governance and Monitoring Officer responded that not a lot has changed, you still have to get over the first barrier which is that the person was acting in their capacity as a councillor. He also confirmed that the Courts have taken the view that Members should be robust enough to put up with the rough and tumble of political life.

Councillor Carter queried if it can be confirmed when the status of the ongoing complaint is likely to change.

The Director responded that at this stage he cannot answer the question.

RESOLVED

1.1 That the Committee note the outcomes on complaints received under the Members' Code of Conduct.

27. Internal Audit Progress Report 2022 / 23

The Chief Internal Auditor presented the report to the Committee. He explained that the Internal Audit Plan 2022/23 was discussed by the Standards & Audit Committee at their meeting of 10th March 2022. The progress report covers final reports issued since the last progress report to the Standards & Audit Committee, draft reports issued and work in progress. In addition, it covers an update on the resourcing issues which have impacted upon service delivery and changes to the audit planning process moving forward into 2023/24.

The Chief Internal Auditor updated the Committee on the issues they have had with auditors leaving the team and the problems they have encountered

in recruiting new auditors. The Chief Internal Auditor is working with HR to sort out the resourcing issues.

The Chief Internal Auditor further confirmed that it was recently agreed at Directors Board that the Internal Audit Plan will change to a 6 month plan as things are changing so rapidly at the moment and a 6 month plan will allow for the priorities to be changed more frequently.

Councillor Liddiard queried how the team make sure recommendations are implemented and implemented well.

The Chief Internal Auditor responded that for high level recommendations the team will go back and check for evidence that they have done it. For medium or low recommendations the team would contact the service and rely on them telling us they have implemented the recommendations. However, the new software will allow the team to check medium recommendations and obtain more evidence to check that they have implemented the recommendations.

The Director of Legal and Governance and Monitoring Officer queried if the recommendation isn't implemented what course of action would the team take.

The Chief Internal Auditor confirmed it is in the protocol and they would escalate it to the Assistant Director or Director.

RESOLVED

- 1.1 That the Committee notes the reports issued and the work being carried out by Internal Audit in relation to the 2022/23 audit plan, the update on the resourcing issues facing the service and the changes to the audit planning process.**

28. Work Programme

Councillor Carter raised that there are still a lot of items left on the work programme for the March meeting and queried if perhaps an extraordinary meeting should be arranged.

The Senior Democratic Services Officer confirmed that she is currently checking with officers as to whether all the reports will be ready. In addition to this, the Chair wants to reschedule the 2nd March date to an earlier date.

The meeting finished at 7.45 pm

Approved as a true and correct record

CHAIR

DATE

**Any queries regarding these Minutes, please contact
Democratic Services at Direct.Democracy@thurrock.gov.uk**

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23 February 2023	ITEM: 6
Standards & Audit Committee	
In Quarter 4 Review of the Strategic/Corporate Risk and Opportunity Register	
Wards and communities affected: All	Key Decision: Non key
Report of: Andy Owen, Corporate Risk and Insurance Manager	
Accountable Assistant Director: n/a	
Accountable Director: Gareth Moss, Chief Financial Officer	
This report is a public report	

Executive Summary

One of the functions of the Standards and Audit Committee under the Terms of Reference of the Constitution is to provide independent assurance that the authority's risk management arrangements are adequate and effective.

To enable the Standards and Audit Committee to consider the effectiveness of the Council's risk and opportunity management arrangements, reports on the review of the register are presented on a bi-annual basis which provide details of how the key risks and opportunities facing the authority are identified and managed.

The Corporate Risk and Insurance Manager has engaged with Services, Department Management Teams, Performance Board and Directors Board during January 2023 to review the Strategic/Corporate Risk and Opportunity Register.

This has been conducted in the context of the wider intervention at the Authority which commenced on 2 September 2022 and the issue of the Section 114 notice on 19 December 2022. This is considered further in Section 2.6 below.

This report provides Standards and Audit Committee with the key risks and opportunities identified by the review and the revised Strategic/Corporate Risk and Opportunity Register.

1. Recommendation(s)

- 1.1 That Standards and Audit Committee review and comment on the items and details contained in the Dashboard (Appendix 1).
- 1.2 That Standards and Audit Committee review and comment on the 'In Focus' report (Appendix 2), which highlights higher priority risks and opportunities identified by the review.
- 1.3 That Standards and Audit Committee note the position with regard to the Government Intervention outlined in 2.6 to 2.12 of the report and in

particular the Best Value Inspection of the governance arrangements (including risk management) detailed under sections 2.6 and 2.12.

1.4 That Standards and Audit Committee note that the Strategic/Corporate Risk and Opportunity Register will be refreshed in this context in 2023/24.

2. Introduction and Background

2.1 Risk and Opportunity Management (ROM) describes the planned and systematic approach used to identify, evaluate and manage the risks to and the opportunities for the achievement of the Council's objectives.

2.2 The Strategic/Corporate Risk and Opportunity Register was refreshed during July to September 2022 and the outcome of the exercise reported to Standards & Audit Committee 20 October 2022 via Directors Board and Performance Board in September 2022.

2.3 A further exercise was carried out with Services and Department Management Teams during October 2022 to update the register and the outcome of the review was presented to Performance Board 10 November 2022

2.4 For the In Quarter 4 Review the Corporate Risk and Insurance Manager has engaged with Services, Department Management Teams, Performance Board and Directors Board during January and February 2023 to update the Strategic/Corporate Risk and Opportunity Register.

2.5 The review has resulted in some changes to the register and the updated schedule is included at Appendix 1.

2.6 On the 2 September 2022 DLUHC announced directions to implement an intervention package at the Council. The Secretary of State exercised his powers under section 15(11) of the Local Government Act 1999 to give a Direction without complying with the requirement at section 15(9) to give Thurrock an opportunity to make representations about the Directions, as he considered the failures of the Council's compliance with its Best Value duty in respect of the functions specified in the Directions sufficiently urgent. This was because of the following:

- the scale of the financial and commercial risks potentially facing the Authority, which were compounded by the Authority's approach to financial management and the seriousness of the allegations that were made by third parties about the processes applied to the operation of the Authority's commercial strategy, and
- the failure of the Authority to provide assurance to Ministers and the Department on the adequacy of the actions that they were taking to address the issues, taking account of the scale and pace of the response required.

The Secretary of State nominated Essex County Council to the role of Commissioner

- 2.7 The Council has subsequently worked with the Commissioners and the Department of Levelling Up, Housing & Communities (DLUHC) to develop an Improvement & Recovery Plan (I&RP) in response to the directions.
- 2.8 On the 19 December 2022 the Council's Acting Director of Finance & Section 151 Officer issued a report under Section 114 of the Local Government Finance Act 1988, which highlighted the extremely serious nature of the financial situation facing the Council.
- 2.9 On the 23 December 2022, the Acting Chief Executive issued a public response to acknowledge the scale of the financial challenge, the action needed to put the Council on a secure long term financial footing, the levers available to mitigate the gaps and the exceptional financial support required from government to support the budget position.
- 2.10 The Council continues to work with the Commissioners and DLHUC to address the financial position and deliver/update the I&RP to manage the situation.
- 2.11 The Commissioners are due to report the results of the Best Value Inspection to Government on the 17 February 2023 and the I&RP will be updated to address the recommendations in the report.
- 2.12 Any risk management improvement opportunities identified from the Best Value Inspection will be used to inform plans to further embed the ROM arrangements across the Council and updates on the position with regard ROM will be reported in subsequent papers to Standards & Audit Committee.
- 2.13 At its meeting on 1 February the Directors Board (DB) further considered the Risk Register. In doing so DB recognised the need to strengthen its role in both reviewing the operational and service-based risks ("bottom up"), but also the need to strengthen its involvement in the assessment, understanding and management of strategic risks ("top down"). This will further strengthen the process and ensure ongoing corporate ownership of the register.

3. Issues, Options and Analysis of Options

- 3.1 The outcome of the In Quarter 4 Review is shown in the Dashboard (Appendix 1) and In Focus report (Appendix 2).
- 3.2 Appendix 1 – Dashboard
The dashboard provides a summary of the existing items in the register mapped against the council's priorities, shows the significance of the risks and opportunities, the ratings for the items along with the management time frames.

- 3.3 Appendix 2 – Risks and Opportunities In Focus report
This document highlights the higher priority items identified by the review.
- 3.4 The rationale for items being in focus is based on the numeric value of the rating. Any risks/opportunities which are currently rated 16 or 12 automatically become in focus and any which are currently rated 9 or 8 would be considered on a case-by-case basis for the In Focus report.
- 3.5 For members information the Criteria Guide for Impact and Likelihood levels are included under Appendix 3 to show the guidelines used to rate and prioritise the items.
- 3.6 From the exercise one item has been removed and a new item added. The details are summarised below:
- 3.6.1 Welfare Reform, Risk 5, Removed – The Risk on the Council’s finances through Welfare Reform has reduced significantly and residual risk rating downgraded from 12 to 8. Item to be removed from the register and ongoing monitoring and management to be maintained via the Fuel Poverty and Cost of Living steering groups and the Cost of Living, Fuel Poverty Risk 7.
- 3.6.2 Delivery of the Improvement Plan, Risk 26, Added – See In Focus Report, Appendix 2 for details.
- 3.7 The register is due to be refreshed in the next review (i.e., existing items updated, old items removed, and new items added) and this will enable any new or emerging items identified from the work with the Commissioner, Directors and DLHUC (e.g. Directions, I&RP, BVI Report, etc.) to be incorporated in the register.

4. Reasons for Recommendation

- 4.1 One of the functions of the Standards and Audit Committee under the Terms of Reference of the Constitution is to provide independent assurance that the authority’s risk management arrangements are adequate and effective
- 4.2 To enable the Standards and Audit Committee to consider the effectiveness of the Council’s risk and opportunity management arrangements reports on the reviews of the register are presented on a bi-annual basis and provide details of how the key risks and opportunities facing the authority are identified and managed.

5. Consultation (including Overview and Scrutiny, if applicable)

- 5.1 The Corporate Risk and Insurance Manager has engaged with Services, Department Management Teams, Performance Board and Directors Board to review the Strategic/Corporate Risk and Opportunity Register.

5.2 The updated Strategic/Corporate Risk and Opportunity Register was presented to Directors Board on the 01 February 2023 and Performance Board representatives 30 January 2023

6. Impact on corporate policies, priorities, performance and community impact

6.1 ROM is recognised as a good management practice and how successful the council is in managing the risks and opportunities it faces will have a major impact on the achievement of the council's priorities and objectives.

7. Implications

7.1 Financial

Implications verified by: **Dammy Adewole**
Senior Accountant, Central Services

The council is currently subject to a Section 114 notice and this report indicates the level of risks in the different services, reducing some of these risks' ratings will require additional in resources in some cases which will impact the expenditure budgets.

Effective risk and opportunity management and the processes underpinning it will provide a more robust means to identify, manage and reduce the likelihood of financial claims and/or loss faced by the council.

7.2 Legal

Implications verified by: **Gina Clarke**
Governance Lawyer & Deputy Monitoring Officer

The Accounts and Audit Regulations 2015 requires the Council to have in place a sound system of internal control which includes effective arrangements for the management of risk. Effective risk and opportunity management and the processes underpinning it will provide a more robust means for ensuring that the Council's business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently, and effectively.

Paragraph 4 of the Financial Procedure Rules (FPR) states that the Corporate Director Resources and Place Delivery is responsible for ensuring adequate risk and opportunity management are in place although this function may be carried out within another Directorate. Further, all Directors and Assistant Directors and Budget Holders must take steps to minimise potential losses through preventative measures to regularly review their service risk registers and the Corporate Risk Register and report major changes to the Corporate Risk.

Paragraph 4.10 (FPR) states that the Corporate Risk Register will be reported to the Cabinet and the Standards and Audit Committee on a quarterly basis or more frequently, if appropriate.

In providing independent assurance that the Authority's risk management arrangements are adequate and effective, paragraph 1.2.2 (a) (b) & (e) the Terms of the Reference for this Committee includes considering or reviewing specified plans and reports and the action taken and advising the Council and/or the Cabinet, as appropriate on internal and external audit plans and progress against plans and summaries of external and internal audit reports and progress against recommendations and reports from inspection agencies.

This report has highlighted that Council is now subject to Government intervention and also a Section 114 Notice. The impact of these legal measures may identify further risks for the Council to consider enabling appropriate decisions and effective actions to be taken.

7.3 **Diversity and Equality**

Implications verified by: **Rebecca Lee**
Team Manager, Community Development & Equalities

The management of risk and opportunities provides an effective mechanism for monitoring and addressing key equality and human right risks associated with a range of service and business activities undertaken by the council. It also provides a method for reducing the likelihood of breaching statutory equality duties, specifically, the Equality Act 2010 and Public Sector Equality Duty.

7.4 **Other implications** (where significant) – i.e. Staff, Health Inequalities, Sustainability, Crime and Disorder and Looked After Children

Risk and opportunity management contributes towards the council meeting the requirements of Corporate Governance and the Account & Audit Regulations.

8. **Background papers used in preparing the report** (including their location on the Council's website or identification whether any are exempt or protected by copyright):

- Strategic/Corporate Risk and Opportunity Register, January 2023. The document can be accessed via the following shared Risk and Opportunity Management file on Objective:
<https://edrms.thurrock.gov.uk/id:A8110665/document/versions/latest>

9. Appendices to the report

- Appendix 1 - Dashboard
- Appendix 2 - In Focus report
- Appendix 3 - Criteria Guide for Impact and Likelihood

Report Author:

Andy Owen

Corporate Risk and Insurance Manager

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Risks									
Risk Ref / Priority	Risk Heading	Director / AD or Strategic Lead	Previous Ratings			Latest Rating	DOT	Forecast	
			In Qtr 4 (2021/22)	In Qtr 2 (2022/23)	In Qtr 3 (2022/23)	In Qtr 4 (2022/23)		Rating	Date
People - A borough where people of all ages are proud to work and play, live and stay									
• High quality, consistent and accessible public services which are right first time									
4	Fire Safety Housing Stock	Ewelina Sorbjan	8	8	8	8	→	8	*31/03/23
15	Cyber Security	Andy Best	9	9	9	9	→	9	*31/03/23
17	Waste Strategy for Thurrock	Julie Rogers	12	6	6	12	↑	6	31/08/23
18	Emergency Planning	Cheryl Wells	6	6	6	6	→	6	*31/03/23
19	Business Continuity Planning	Cheryl Wells	9	9	6	6	→	6	31/03/23
20	Fraud	Michael Dineen	12	12	12	12	→	12	*31/03/23
25	Medium Term Financial Strategy 22/23 - 24/25	Jonathan Wilson	-	16	16	16	→	16	*28/02/23
• Build on our partnerships with statutory, community, voluntary and faith groups to work together to improve health and wellbeing									
2	ASC Demand, Stability and Market Failure	Les Billingham	16	16	16	16	→	16	*31/03/23
3	Housing Needs and Homelessness	Ewelina Sorbjan	9	12	12	12	→	12	*31/03/23
5	Welfare Reform	Peter Doherty	9	12	12	8	↓	8	*31/03/23
7	Cost of Living Fuel Poverty	Peter Doherty	-	12	12	12	→	12	31/03/23
8	CSC Service Standards & Inspection Outcome	Janet Simon	12	12	12	12	→	12	*31/03/23
9	CSC Safeguarding & Protecting Children & Young People	Janet Simon	12	12	12	12	→	12	*31/03/23
P21	Failure to Comply With the Prevent Duty 2015	Julie Rogers	8	8	8	8	→	8	*31/03/23
Place - A heritage-rich borough which is ambitious for its future									
• Roads, houses and public spaces that connect people and places									
11	Lower Thames Crossing	Colin Black	9	9	12	12	→	12	*31/03/23
16	Highway Funding and Standard	Julie Nelder	9	9	9	9	→	9	*31/03/23
• Fewer public buildings with better services									
10	Property Ownership Liability	Mark Bradbury	12	12	12	12	→	12	*31/03/23
Prosperity - A borough which enables everyone to achieve their aspirations									
• Attractive opportunities for businesses and investors to enhance the local economy									
12	Major Projects (Place Delivery)	Mark Bradbury	12	12	16	16	→	16	*31/03/23
22b	Local Plan	Mark Bradbury	12	12	12	12	→	12	*31/03/23
All Priorities - People, Place & Prosperity									
26	Delivery of Improvement & Recovery Plan (New)	IRP Delivery Board	-	-	-	16	N/A	16	*31/03/23

Footnote: Forecast Date: Retained = The risk is managed to the required level (risk appetite) but ongoing monitoring/review required via the S/C R&O Register.
 Removed = The risk is removed from the S/C R&O Register (e.g. risk realised or managed to the required level - risk appetite). For items managed to the required level any ongoing monitoring to be undertaken by Dept., if needed.
 * = The date applies to when the risk/management action plan documentation will be refreshed (e.g. used for medium/long term risks, where the risk circumstances are expected to change over a period of time).
 Priority: **Red** = High, **Amber** = Medium, **Green** = Low. Ratings: Lower is best DOT: Latest v Previous Rating (→ Static, ↑ Increased, ↓ Decreased)

Note: ASC Care Reforms, Risk 6 – Item removed (Quarter 3 Review). Government paused the care cap & information of the cost of care position to be released. Risk removed from register & ongoing monitoring of situation at Dept level by ASC

Opportunities									
Opp Ref / Priority	Opportunity Heading	Director / AD or Strategic Lead	Previous Ratings			Latest Rating	DOT	Forecast	
			In Qtr 4 (2021/22)	In Qtr 2 (2022/23)	In Qtr 3 (2021/22)	In Qtr 4 (2022/23)		Rating	Date
People - A borough where people of all ages are proud to work and play, live and stay									
• High quality, consistent and accessible public services which are right first time									
14	Digital Council Programme	Jackie Hinchliffe	9	9	9	6	↓	6	*31/03/23
• Build on our partnerships with statutory, community, voluntary and faith groups to work together to improve health and wellbeing									
1	Health & Social Care Transformation	Les Billingham	6	6	6	6	→	9	*31/03/23
Place - A heritage-rich borough which is ambitious for its future									
• Roads, houses and public spaces that connect people and places									
13	Thurrock Regeneration Ltd	Kevin Munnelly	9	9	9	6	↓	6	*31/03/23
Prosperity - A borough which enables everyone to achieve their aspirations									
• Attractive opportunities for businesses and investors to enhance the local economy									
22a	Local Plan	Mark Bradbury	-	8	8	8	→	16	31/07/23
23	Investing in Growth	Gerard McCleave	16	16	16	16	→	16	31/03/23
24	Backing Thurrock Strategy & Action Plan	Gerard McCleave	12	12	12	12	→	12	31/03/23

Footnote: Forecast Date: Retained = The opportunity is managed to the required level but ongoing monitoring/review required via the S/C R&O Register.
 Removed = The opportunity is removed from the S/C R&O Register (e.g. opportunity realised or managed to the required level). For items managed to the required level any ongoing monitoring to be undertaken by Dept., if needed.
 * = The date applies to when the opportunity/management action plan documentation will be refreshed (e.g. used for medium/long term opportunities, where the opportunity circumstances are expected to change over a period of time).
 Priority: **Gold** = High, **Silver** = Medium, **Bronze** = Low. Ratings: Higher is best DOT: Latest v Previous Rating (→ Static, ↑ Increased, ↓ Decreased)

Strategic/Corporate Risk & Opportunity Register January 2023

In Focus Report

The items are split between Risk & Opportunity and listed in Priority (Rating) and then Reference Number Order.

Risks In Focus

UNMANAGED / INHERENT RISK

Risk Description		Risk Owner						
<p>The risk is that a combination of on-going pressures will result in lack of stability in the care market place resulting ultimately in market failure. In addition, there is a risk that pressures emanating from the Pandemic and lock down period will place unsustainable demand on the Council's ASC external placements budget. Whilst the Council has given additional resource in the form of uplifts, they fall short of what is requested. Meeting demand would mean significantly increasing available capacity. Not only is it difficult to recruit staff required to provide demand, but it is also unaffordable. The domiciliary care rate has been increased with the retender of the domiciliary care contract – this has resulted in greater stability, but difficulties remain. For example, issues concerning recruitment and retention. Hospital capacity remains an issue, with increased demand for care following the pandemic now having an impact on delayed discharges. There has been some additional funding via the ASC precept and some funding through the NHS linked to ensuring discharge and system flow through the pandemic which is due to cease. This has meant hard decisions about what is affordable needing to be taken. There is therefore continuing risk to stability and affordability. The recent and ongoing Covid-19 pandemic has highlighted the pressures on the adult social care market and the extent to which local authorities and the nation are dependent upon the market to provide care for the some of the Country's most vulnerable people. Covid-19 has also led to a significant increase in demand for care which is pushing provider capacity and budgets further still. For providers, fees and rates are still an issue, compounded by the National Living Wage. Despite activity over the last 18 months, the risk of failure is still very real.</p>		Les Billingham						
Link to Corporate Priority								
<p>People - A borough where people of all ages are proud to work and play, live and stay - Build on our partnerships with statutory, community, voluntary and faith groups to work together to improve health and wellbeing.</p>								
Inherent Risk Rating	Date:	18/07/2022	Impact:	Critical (4)	Likelihood:	Very Likely (4)	Rating:	16

DASHBOARD

Inherent Risk Rating & Date: 18/07/2022	Residual Risk Rating as at: 18/07/2022	Residual Risk Rating as at: 24/10/2022	Residual Risk Rating as at: 23/01/2023	Residual Risk Rating as at:	Forecast Risk Rating & Date: 31/03/2023

Comments

Adult Social Care has received additional funding in recent years – through a precept as part of the Council Tax and also through the Improved Better Care Fund. A significant proportion of this money has been used to stabilise the marketplace and deliver sustainability for care providers. This has included increasing the capacity of the contract and brokerage team to ensure contract compliance visits and monitoring to take place in a timely manner – reducing or aiding early identification of risks. The introduction of a Brokerage function has also meant that more realistic costs and fees are negotiated. In addition, uplifts have been provided (as described in the risk description) to improve stability and domiciliary care has been retendered. Through the Better Care Fund, we have also been able to enhance capacity through investment in a Bridging Service and through enhancing existing services to ensure that people can come out of hospital when medically fit to do so – even when they are unable to return home. This has helped to reduce Delayed Transfers of Care and Waiting Lists.

The current Covid-19 Pandemic has significantly increased the strain on providers and the system as a whole with demand for home care remaining extremely high. Staffing remains a major issue across both residential and domiciliary care sectors. This is having a direct impact on the number of people we are able to provide care with across the domiciliary care sector leading to the implementation of waiting lists. This means hard decisions having to be made about how and where hours are distributed, which whilst risk assessed, is leading to some people having less care. As a result, additional strain is being placed on family members who are being asked to provide care to their loved ones where formal care capacity remains unavailable. Increased carer breakdown is a real risk. It is unclear as to whether the demand will remain high, outstripping supply, but there seems to be no sign of demand abating. In fact, there is growing evidence that demand emanating from the pandemic is now beyond dispute.

Whilst some additional funding was provided by the NHS to assist with system flow, this has now come to an end, meaning that the Council cannot afford to carry on commissioning certain services – for example providing notice to the Hospital's Bridging Service. Unfortunately, this means that there is likely to be an impact on delays to discharge from hospital and the ability to provide care required as quickly as we would like. This is already starting to be experienced. A recent decision has been made to fund a limited number of hours with the Bridging Service to cover the Winter period. This is being funded by the pooled Better Care Fund and is limited to the funding available.

Transformation work continues to progress to redesign a system that can respond to some of the current challenges – although some elements and benefits of the work will take time to be realised. Thurrock's Integrated Care Strategy 'A Case for Further Change' has recently been published – detailing existing and future system change activity. At the beginning of 2018, the new domiciliary care contract started with providers now well established within the Borough, although one of the organisations who were successful in the tender process have failed to deliver the capacity contracted for; this is further evidence of the fragility of this market. Work has also taken place on alternative approaches to traditional domiciliary care, with two Wellbeing Teams now in place. Wellbeing Teams will enable us to identify the model required and will focus on enhancing Wellbeing and not just on meeting needs. It will also look at how to encourage people in to the care industry and to professionalise a caring role.

As a result of the Council's financial pressures, Adult Social Care has implemented a Resources Panel. The Panel reviews all external placement spend above £500. This will help to manage demand by ensuring that the Council is spending appropriately and equitably and also to ensure that finances are being used to best effect. Power BI has also been introduced as a budget management tool linked to decisions about placement spend. Again, this will help to give practitioners and managers the earliest opportunity to identify overspend and to take decisions to best manage the use of available resource.

Despite the work taking place, the risk of market failure and unsustainable demand remains extremely high. The sheer number of challenges faced by the care market and the health and care system as a whole at the current time has led to the risk level being kept at 16.

EXISTING ACTION / RESIDUAL RISK

Management Action or Mitigation Already in Place	Date Implemented
<ol style="list-style-type: none"> 1. New Domiciliary Care Contract 2. Uplifts for providers 3. Development of New Model of Care – Wellbeing Teams 4. Prevention agenda – e.g. Stronger Together, identification and management of Long Term Conditions, Enhanced Primary Care 5. Market Development Strategy 	Implemented or on-going

6. Market Diversification – e.g. through Micro Enterprises, Shared Lives	Dec 2021 Ongoing
7. Better Care Together Health and Social Care Transformation Programme	
8. Implementation and evaluation of Wellbeing Teams pilot	
9. Market place diversification	
10. Workforce Development Strategy – establishment and implementation of regional strategy	
11. Additional Funding – Temporary resilience payments, arrangements to assist with cash flow and additional infection control allocated to providers	
12. Arrangement made with some micro enterprises to enable greater capacity for providing support in the home	
13. Development of a transformation plan for commissioning – including working with providers to develop an alternative approach to the delivery of support within the home.	
14. Constant review of spend – e.g. review of high cost placements, risk assessment of care requirements to identify priority	

Residual Risk Rating	Date:	18/07/2022	Impact:	Critical (4)	Likelihood:	Very Likely (4)	Rating:	16
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FURTHER ACTION / FORECAST RISK / REVISED RESIDUAL RISK

Further Management or Mitigating Action	Implementation Date	Progress
15. Continuation and review of management action 1-14	From July 2022	1-14 Ongoing – see comments table.
16. Temporary contract with the Bridging Service to cover Winter pressures	October 2022	Contract in place. Ongoing – see comments table.
Resources Panel in place to review spend on external placement activity	Dec 2022	Ongoing – see comments table
Development of Power BI tool to enable managers to have better and earlier sight of budget pressures and to be able to take effective action	Dec 2022	Ongoing – see comments table

Forecast Risk Rating	Forecast Date:	Refresh 31/03/2023	Impact:	Critical (4)	Likelihood:	Very Likely (4)	Rating:	16
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Revised Residual Risk Rating	Date:	23/01/2023	Impact:	Critical (4)	Likelihood:	Very Likely (4)	Rating:	16
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UNMANAGED / INHERENT RISK

Risk Description	Risk Owner
<p>The growth programme in Thurrock continues to be one of the largest and most exciting opportunities in the country. Thurrock’s reputation as a place full of opportunity has helped attract a number of large scale projects including London Distribution Park at the Port of Tilbury, the continuing investment at DP World London Gateway, expansion of Lakeside, Purfleet Regeneration, Thames Freeport etc. As a direct result of the scale of the growth agenda in Thurrock the Council will be involved in three National Infrastructure Projects over the coming years.</p> <p>Managing these projects alongside the other key regeneration projects will place significant demands on the Council and ensuring the authority have capacity in key areas is important in maintaining momentum and maximising opportunity for the borough.</p> <p>Failure to increase capacity to meet current, future or competing demands could impact the successful delivery of the major schemes and projects.</p>	<p>Mark Bradbury</p>

Link to Corporate Priority

Prosperity – a borough which enables everyone to achieve their aspirations:

- Attractive opportunities for businesses and investors to enhance the local economy
- Vocational and academic education skills and job opportunities for all.

Place – a heritage rich borough which is ambitious for its future:

- Roads, houses and public spaces that connect people and places
- Fewer public buildings with better services

Inherent Risk Rating	Date:	03/08/2022	Impact:	Critical (4)	Likelihood:	Very Likely (4)	Rating:	16
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DASHBOARD

Inherent Risk Rating & Date: 03/08/2022	Residual Risk Rating as at: 03/08/2022	Residual Risk Rating as at: 26/10/2022	Residual Risk Rating as at: 24/01/2023	Residual Risk Rating as at:	Forecast Risk Rating & Date: 31/03/2023

Comments

The Thurrock growth programme crosses many disciplines within the Council. These diverse projects themselves range in size and complexity, with a number involving an interface with the railway, which brings with it, its own set of specialist considerations and heightened costs. It was recognised that the successful delivery of the programme would require significant programme management capacity from the Regeneration team to manage the programme alongside a joined up approach with other areas of the authority to ensure that relevant specialisms are brought in as required and programmes and strategies are complementary. The focus to date has been to develop robust project management and delivery capacity for each element of the programme. Over time each of the main projects (A13 dualling, Stanford Le Hope (SLH) Station, Grays Underpass and Purfleet New Town) have developed their own separate delivery teams and PMO approach, to reflect the specific needs of the project. To support the

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Further Management or Mitigating Action	Implementation Date	Progress
5. Ongoing application or implementation of actions 1-4 above as appropriate	From Jul 2022	Ongoing
<p>1. Overall</p> <p>1.16 Strategic reviews at each stage of lifecycle to be implemented</p> <p>1.17 Improvements in project controls processes such as change, issues, risk and opportunity and cost management within teams to reduce risk exposure and enhance outcomes.</p>	December 2022	<p>1.16 & 1.17 Reviews have commenced on all projects that make up the Growth Programme.</p> <p>The Purfleet review is being undertaken in conjunction with an assessment of the proposed buyout of the current PCRL shareholders. Options are also being assessed to exit the current ineffective Development Agreement. Update paper considered by DB in December 22 and next review due in mid March 23.</p> <p>The Grays Underpass review is been conducted in 2 parts: The first will be a strategic review of regeneration priorities for Grays Town Centre, including the Underpass project. This has been commissioned and will report by Mid March 23. The second is a technical review of the current design proposals examining procurement, buildability, programme and costs and is ongoing to report in line with the strategic review.</p> <p>Design work on the interchange element has been prioritised and has been commissioned. This work will provide a full scheme design and inform a new business case for the consideration by the SELEP Accountability Board in June 2023. The business a case will review delivery and value for money options.</p> <p>The A13 is programmed for completion in the forthcoming months. It is proposed that the closure report and lesson learned will inform the project review.</p>
<p>2. Grays Underpass</p> <p>2.5 Consider delivery and contract options if/if not NR awarded Grip 5-8 contract</p> <p>2.6 Develop utilities diversions strategy</p> <p>2.7 Develop NR/TBC integrated schedule showing critical activities and dependencies for GRIP 4 design process</p> <p>2.8 Develop project delivery strategy options to take account of changes in financial environment eg inflation, procurement lead times, fluctuations in funding</p> <p>2.9 Reviews funding options.</p>	<p>From Sep 22</p> <p>From Sep 22 Oct 22</p> <p>From Oct 22</p> <p>Ongoing</p>	<p>2.5 On hold as part of the review.</p> <p>2.6 To be informed by the GRIP 4 design due for delivery in early March 23.</p> <p>2.7 Completed</p> <p>2.8 This output will be informed by the reviews currently underway.</p> <p>2.9 This output will be informed by the reviews currently underway.</p>

3. Purfleet Primary School								
3.2	Review of investor proposal to ensure delivery of school is protected or look at whether different approach/investor needed and links to delivery of new housing/risk.	Dec 22						3.2 Completed.
3.3	Assess options for the more effective delivery of the Purfleet Regeneration programme, including sale of PCRL to new investors, termination of current Development Agreement and land sale.	Ongoing						3.3 These options will be examined by the reviews currently underway
4. Stanford le Hope Transport Interchange								
4.8	Develop alternative procurement strategy if negotiations with VFL fail to execute contract for Stage 1	From Sep 22						4.8 To be considered as part of the revised Business Case
4.9	Dedicated resource to deliver Phase 2 design and new business case to reduce risk of funding clawback by SELEP	Oct 22						4.9 Project to be managed in house and direct management of AECOM through the design process for the interchange.
4.10	Develop project delivery strategy options to take account of changes in financial environment eg inflation, procurement lead times, fluctuations in funding	From Oct 22						4.10 Options to be considered following receipt of the revised Business Case.
Forecast Risk Rating		Forecast Date:	Refresh 31/03/2023	Impact:	Substantial (3) Critical (4)	Likelihood:	Very Likely (4)	Rating: 12 16
Revised Residual Risk Rating		Date:	24/01/2023	Impact:	Critical (4)	Likelihood:	Very Likely (4)	Rating: 16

UNMANAGED / INHERENT RISK

Risk Description								Risk Owner	
The Government has raised concerns around the Council's investment activity, the level of external borrowing and the financial/commercial risks potentially facing the Authority and put in place an intervention package. Essex County Council have been commissioned to oversee the management of the Council's financial resources/affairs and to support the development and implementation of plans to manage the situation.								Jonathan Wilson	
Link to Corporate Priority									
People – A borough where people of all ages are proud to work and play, live and stay – High quality, consistent and accessible public services which are right first time.									
Inherent Risk Rating		Date:	07/09/2022	Impact:	Critical (4)	Likelihood:	Very Likely (4)	Rating:	16

DASHBOARD

Page 32	Inherent Risk Rating & Date: 07/09/2022	Residual Risk Rating as at: 07/09/2022	Residual Risk Rating as at: 28/10/2022	Residual Risk Rating as at: 12/01/2023	Residual Risk Rating as at:	Forecast Risk Rating & Date: 28/02/2023
	Likelihood	Likelihood	Likelihood	Likelihood	Likelihood	Likelihood
	Impact	Impact	Impact	Impact	Impact	Impact

Comments

Balanced budget for 2022/23 and remaining gap for the subsequent 2 years (2023/24 and 2024/25) reported to Cabinet and Corporate Overview & Scrutiny Committee (CO&SC) January 2022 and approved by Council in February 2022.

The Government has raised concerns around the Council's investment activity, the level of external borrowing and the financial/commercial risks potentially facing the Authority and put in place an intervention package on 02 Sept 2022. Essex County Council have been commissioned to oversee the management of the Council's financial resources/affairs and to support the development and implementation of plans to manage the situation.

The Quarter 2 Financial Update was presented to Cabinet 14 Dec 2022, via Corporate Overview & Scrutiny Committee 08 Dec 2022. The report confirmed projected significant funding gaps for the years 2022/23 & 2023/24 and the need for support from government to help with the financial position. A Section 114 report was issued 19 Dec 2022 by the Acting Director of Finance and a public response provided by the Chief Executive 23 Dec 2022. The Section 114 Report and Chief Executive's Response were presented to Extraordinary Council meeting 09 Jan 2023. The items were considered by Council and proposed action to address the issue agreed.

A draft improvement and recovery plan has been established and the Best Value Inspection report is scheduled to be issued in February 2023. The Council continues to co-operate with the Commissioner and Government and independent financial/legal experts to assess and manage the position. General Fund Budget 2023/24 and MTFS update to be presented to Corporate Overview & Scrutiny, Cabinet and Council Feb 2023.

The Council continues to face financial pressures (i.e. combination of projected reductions in locally raised taxes, increased service costs e.g. adult social care providers and expected reductions in fees/charges) and to develop approaches to maintain a balanced budget (e.g. investments, savings plans, service reviews, expenditure efficiencies, general income increases, managing demand, transformation, etc). All approaches are important to maintain balanced budgets for the life of the Medium Term Financial Strategy (MTFS).

Failure to develop and implement plans to set and maintain a balanced budget, to manage the financial situation and the investment strategy could lead to budget pressures and result in service delivery impacts.

EXISTING ACTION / RESIDUAL RISK

Management Action or Mitigation Already in Place

Date Implemented

1. Government intervention and Essex County Council appointed to oversee the management of the Council's financial resources/affairs (including Best Value review of the governance, audit, risk management, overview and scrutiny functions) and to support the development and implementation of plans to manage the situation.
2. Development and agreement of Improvement and Recovery Plan, including:
 - Action Plan to achieve financial sustainability and to close any short and long-term budget gaps identified across the period of the MTFS, incorporating a robust multi-year savings plan.
 - An action plan to ensure the Authority's capital, investment and treasury management strategies are sustainable and affordable.
 - A strict debt reduction plan and an updated minimum revenue provision (MRP) policy
 - An action plan to ensure the Authority is complying with all relevant rules and guidelines relating to the financial management of the Authority
 - A suitable scheme of delegations for financial decision-making
3. Pause on new activity under the Council's investment and capital strategy
4. Regular monitoring of investment rate forecasts, investment programme and investment returns
5. Ongoing assessment of interest rates for inclusion in the MTFS
6. Cross Party Shadow Investment Committee established

7. 2022/23 budget proposals and MTFS established and reported to Cabinet/Council Feb 2022 (via Overview & Scrutiny Committee Jan 2022)							
8. Development of savings plans, linked to the refresh of the MTFs							
9. Ongoing discussions with MHCLG in respect of cost pressures and future funding – Ongoing							
10. Independent assessment of existing investments and strategy							
11. Ongoing work with the Commissioner for the implementation of improvements							
Residual Risk Rating	Date:	07/09/2022	Impact:	Critical (4)	Likelihood:	Very Likely (4)	Rating: 16

FURTHER ACTION / FORECAST RISK / REVISED RESIDUAL RISK

Further Management or Mitigating Action	Implementation Date	Progress					
12. Ongoing application of actions 1-11 above.	From Sept 2022	1 & 2. Ongoing. Draft Improvement/Recovery compiled. BVI report scheduled to be issued February 2023 3-5, 6-8 Ongoing 11. Ongoing					
13. Regular monitoring, review and reporting of the position and progress to the Commissioner and Committees/Boards.	From Sept 2022	Financial update Quarter 1 reported to Cabinet 14 Sept 2022 and Corporate Overview & Scrutiny Committee 06 Oct 2022. Update on Council Borrowing presented to Cabinet 12 Oct 2022. Quarter 2 Financial Update presented to Cabinet 14 Dec 2022, via Corporate Overview & Scrutiny Committee 08 Dec 2022. The report confirmed projected significant funding gaps for the years 2022/23 & 2023/24 and the need for support from government to help with the financial position. Section 114 report issued 19 Dec 2022 by the Acting Director of Finance and sent to all Councillors and public response issued by the Acting Chief Executive 23 Dec 2022. Section 114 Report and Acting Chief Executive's Response presented to Extraordinary Council meeting 09 Jan 2023. Report considered by Council and proposed action to address the issue agreed. General fund budget 23/24 and MTFS update to be presented to Corporate Overview & Scrutiny, Cabinet and Council Feb 2023.					
Forecast Risk Rating	Forecast Date:	Refresh 28/02/2023	Impact:	Critical (4)	Likelihood:	Unlikely (2) Very Likely (4)	Rating: 8 16
Revised Residual Risk Rating	Date:	12/01/2023	Impact:	Critical (4)	Likelihood:	Very Likely (4)	Rating: 16

UNMANAGED / INHERENT RISK

Risk Description							Risk Owner		
Failure to develop and deliver plans for improvement/recovery and to deliver the outcomes associated with the Commissioner Intervention, Best Value Inspection and Peer feedback – including having insufficient capacity and capability to deliver - will lead to ongoing financial and governance issues and result in further scrutiny, intervention directions and further significant negative publicity.							IRP Delivery Board, Gary Staples		
Link to Corporate Priority									
All priorities - People, Place & Prosperity.									
Inherent Risk Rating		Date:	03/01/2023	Impact:	Critical (4)	Likelihood:	Very Likely (4)	Rating:	16

DASHBOARD

Inherent Risk Rating & Date: 03/01/2023	Residual Risk Rating as at: 03/01/2023	Residual Risk Rating as at:	Residual Risk Rating as at:	Residual Risk Rating as at:	Forecast Risk Rating & Date: 31/03/2023																																																																																																
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Comments

On Friday 2 September 2022, the government appointed Essex County Council to support us with the financial challenges we face. This intervention was in response to concerns about levels of financial risk and debt. Essex County Council also commissioned a Best Value Inspection of Thurrock Council which began on 10 October 2022 and is due to report the findings to the Secretary of State 17 February 2023. The Inspection Team was directed by the Secretary of State to consider whether Thurrock Council, in carrying out specific functions, had effective arrangements in place for getting Best Value in its governance, audit (internal and external), risk management, overview and scrutiny functions, and how they affect the provision of services.

The whole council has been treating this situation extremely seriously, working with the Commissioners and Government, as well as independent financial and legal experts to fully understand how the situation has arisen and coming together internally to establish a comprehensive resolution plan to safeguard the council's financial position in the best interest of Thurrock's residents.

The leadership of Thurrock Council – members and officers - need to regain the trust and confidence of our staff, residents, businesses, partners and the government.

Through this Improvement and Recovery Plan we articulate the short, medium and longer-term actions that we will focus upon in order to turnaround the council.

Our key ambitions are:

1. Agree and embed a new vision, values and culture across all levels of the organisation and between officers and members based on openness, transparency, trust, and accountability.
2. Reduce our borrowing as quickly as possible through compliant treasury and reduced capital programmes and a managed investment divesting programme alongside development of a new commercial strategy and framework.
3. Achieve financial sustainability as quickly as possible through a rigorous programme of asset sales, legal recourse, revenue maximisation including council tax increases, decommissioning and service rationalisation, service transformation, cost control and growth. We will move to a position of no more than median spend on all council services compared to our CIPFA comparator group unless there is a strong business case not to do so.
4. Embed a system of strong governance across the organisation based on a comprehensive governance review and including an effective scheme of delegations for financial decision-making.
5. Develop a new locality based preventative integrated operating model for people services. Fewer blended roles will deliver more functions in collaboration with residents and health/third sector partners to reduce demand and cost on our highest cost front doors.
6. Capitalise on Thurrock's growth opportunities by developing a cogent strategic vision for place leadership and growth, recognising our current financial constraints, facilitating more and direct delivering less.

The initial I&RP has been established and implementation commenced. The plan is due to be revised following the BVI report and government response. The residual risk has been rated at a high level (16) as the plan is in the early stages of delivery. The risk/action plan is due to be refreshed in the next review and the documentation will be updated accordingly to reflect the developments and progress against the delivery of the I&RP.

EXISTING ACTION / RESIDUAL RISK

Page Management Action or Mitigation Already in Place	Date Implemented
<p>1. Outline of main stages for improvement/recovery:</p> <p>1.1 Government intervention and Essex County Council appointed to oversee the management of the Council's financial resources/affairs (including Best Value review of the governance, audit, risk management, overview and scrutiny functions) and to support the development and implementation of plans to manage the situation.</p> <p>1.2 Ongoing work with the Commissioner/Inspectors to develop improvement and recovery plan.</p> <p>1.3 Thurrock council members and staff co-development of draft improvement and recovery plan for submission to Government.</p> <p>1.4 Update and finalise improvement and recovery plan following feedback and publication of reports from Commissioner and Inspectors</p> <p>1.5 Programme management and delivery risk assessments in place to monitor IRP delivery with reports back to government every 6 months via Commissioners</p>	<p>From 02 Sept 2022</p> <p>From Sept Sept - 3 Dec</p> <p>Jan - Mar 2023</p> <p>Nov 2022 - 2025</p> <p>Ongoing</p>
<p>2. Programme Governance:</p> <p>2.1 Finance and Sustainability theme and action plan established and incorporated in the IRP, along with programme governance and management arrangements. Progress is monitored through a dedicated Finance Recovery Board (FRB) that is attended by the theme DB Sponsor, Leader, Opposition Leader, Commissioners and DLUHC. It is held every 2 weeks up until the 2023/24 budget is set when it will revert to monthly.</p> <p>2.2 The overall IRP is monitored through an overarching Improvement and Recovery Board (IRB). The Board meets monthly and is attended by representatives from the Commissioners, DLUHC, Leader, Opposition Leader, Theme DB Sponsors and the Strategic Lead – Corporate Programmes</p>	<p>Sept/Oct 2022</p> <p>From Nov 2022</p>

3. <u>Communication and Engagement:</u>								
3.1 Communication and Engagement Group set up comprising members of Leadership Group from across the Council							From Oct 2022	
3.2 Leadership Group meetings now fortnightly							Ongoing	
3.3 Managers Conference every 2 months							Ongoing	
3.4 All Staff CEX online Briefings every month (or sooner if required)							Ongoing	
3.5 Updates through #TeamThurrock email to all staff) on an as-needed basis but normally weekly							Ongoing	
4. <u>Resourcing and Capacity Plan:</u>								
4.1 In order to ensure the organisation has the capacity and appropriate skills to deliver the IRP, a dedicated Capacity Plan has been developed outlining the additional resource requirements and the progress with securing/on-boarding the personnel.							From Dec 2022	
Residual Risk Rating	Date:	03/01/2023	Impact:	Critical (4)	Likelihood:	Very Likely (4)	Rating:	16

FURTHER ACTION / FORECAST RISK / REVISED RESIDUAL RISK

Further Management or Mitigating Action	Implementation Date	Progress
1. <u>Outline of main stages for improvement/recovery:</u>		
1.6 Ongoing application of actions 1.1 to 1.5 as appropriate	From Jan 2023	1.1 to 1.4. Ongoing work Commissioners and DLHUC to develop and implement plan of improvements. Best Value inspection report scheduled to be presented to Government 17 Feb 2023 by Commissioners/Inspectors. Plan to be updated following publication of inspection report. 1.5. Ongoing
1.7 Re-alignment of Corporate Programmes Team structure and responsibilities to support the delivery & monitoring of the IRP	By Mar 2023	1.7 – on target
2. <u>Programme Governance:</u>		
2.3 Ongoing application of actions 2.1 and 2.2 as appropriate	Jan 2023	2.1 & 2.2. Ongoing
2.4 Each of the five themes has an action plan within the IRP and has/will have a programme board made up of Leadership Group representatives (Lead Officers) and others as appropriate, each with a DB and Cabinet sponsor, supported by a dedicated programme manager from the Corporate Transformation team, who will be responsible for developing the action plan further and for supporting the delivery: i) Financial Sustainability	From Jan 2023 (Sept 2022 for FRB)	

<ul style="list-style-type: none"> ii) Governance and Scrutiny iii) Strategic Direction iv) Place leadership and growth v) Leadership and Culture <p>2.5 In addition to the individual theme governance boards an overarching Improvement and Recovery Delivery Board has been convened to ensure oversight of all five themes and the overall IRP is maintained. The Delivery Board has been assembled and met for the first time during the second week of January 2023. It is chaired by the CEO and has DB Sponsors and Programme Managers from all five Themes in attendance together with the Strategic Lead for Corporate Programmes, the Delivery Assurance Manager and the Strategy manager.</p>	From Jan 2023							
<p>3. Communication and Engagement: 3.6 Ongoing application of actions 3.1 to 3.5 as appropriate</p>	From Jan 2023	Ongoing						
<p>4. Resourcing and Capacity Plan: 4.2 Ongoing application of actions 4.1 as appropriate</p> <p>4. The Resourcing and Capacity Plan has been approved by the Commissioners and will be monitored through the IRB on a monthly basis.</p>	From Jan 2023 From Jan 2023	Ongoing						
Forecast Risk Rating	Forecast Date:	Refresh 31/03/2023	Impact:	Critical (4)	Likelihood:	Very Likely (4)	Rating:	16
Revised Residual Risk Rating	Date:		Impact:		Likelihood:		Rating:	

UNMANAGED / INHERENT RISK

Risk Description								Risk Owner	
Failure to manage demand and budget/resource pressures for Children’s Social Care could lead to a breakdown in the quality or performance of the service provided to vulnerable children and results in less favourable outcomes from inspection and damage to reputation if the service does meet the required standards								Janet Simon	
Link to Corporate Priority									
People - A borough where people of all ages are proud to work and play, live and stay – Build on our partnerships with statutory, community, voluntary and faith groups to work together to improve health and wellbeing.									
Inherent Risk Rating		Date:	28/07/2022	Impact:	Critical (4)	Likelihood:	Very Likely (4)	Rating:	16

DASHBOARD

Inherent Risk Rating & Date: 28/07/2022	Residual Risk Rating as at: 28/07/2022	Residual Risk Rating as at: 28/10/2022	Residual Risk Rating as at: 23/01/2023	Residual Risk Rating as at:	Forecast Risk Rating & Date: 31/03/2023
<p>Impact</p>	<p>Impact</p>	<p>Impact</p>	<p>Impact</p>	<p>Impact</p>	<p>Impact</p>

Comments

This risk evaluates the impact of demand and resource pressures on children’s social care quality of service and provision. The pressures outlined throughout previous years remain acute. They include increased volumes, increased complexity and ongoing activity to review high-cost placements and implement efficiencies. The service continuously measures impact of the MASH. Thurrock has introduced a Think Family Service drawing together Commissioned and internal services to pool and reduce resource spend. The early help service model and the Thurrock multi-agency safeguarding hub (MASH) has been successful and this is being supported by the implementation of the Think Family Service. The service continues to maximize the external investment and opportunities presented through Supporting Families through continuing to achieving improved and sustained outcomes which means less children needing statutory services. Thurrock has also been identified as one of 75 local authorities for additional funding for three years to 2024/2025 to implement Family Hubs as part of the early help offer.

The service is demand led and cannot fail to respond to the needs of a child due to budget or resource constraints. Changes on a local, regional and national level can have a significant impact on the demand for services and local authorities’ duties. International factors such as the war in the Ukraine can result in an unplanned increase in the number of unaccompanied asylum-seeking children or families with no recourse to public funds. Thurrock is a local authority that regularly receives UASC. The number of children each local authority is required to have as part of the dispersal of UASC has risen from 0.07(31) to 0.1 (45) of the child population. Geographical movement of families across the Eastern Region and London can see a rise in families needing services, including large sibling groups. Thurrock’s last full Ofsted Inspection was in 2019 and it is expected that we will have a full inspection in 2023. Areas for improvement were identified in the Ofsted (ILAC) 2019 and Focused Visit in July 2021 and a Development Plan has been updated to address identified actions required to maintain the Ofsted rating of Good or improve to outstanding. An Inspection of the Youth Offending Service was carried out by HMIP in May 2022 with an outcome of Good.

The lack of available of foster placements and residential placements for children with complex needs remains a national issue. The level and complexity of some children and young people's needs and the lack of available national resources (specialist placements) to meet those needs is driving up costs. pressures. These are national pressures as well as the increasing difficulties being experienced in recruiting foster carers. As the Council continues to improve practice regarding the identification and tackling of Child Exploitation there is an increase in demand for service provision in terms of intervention, prevention and victim support. Duties in terms of radicalization also place pressures on the service in terms of workforce capacity. Trends can be predicted based on previous levels of demand, but these are subject to variance and there has been an increase in youth violence locally.

The pressures outlined above will not be alleviated in the short term and the risk rating will remain at the higher (red) level for the period covered. There has been and it is anticipated that there will continue to be court delays regarding management of cases this is in part due to the continues impact of Covid 19.

Regular reporting of CSC performance and plans to CS Overview and Scrutiny Committee and monthly Development Board provides oversight for members, the lead member and Director of Children's Services. Review of the Think Families service is currently underway.

EXISTING ACTION / RESIDUAL RISK

Management Action or Mitigation Already in Place								Date Implemented
1. Quality Assurance and Safeguarding functions are in place and robustly applied and a Development Board takes place on a monthly basis.								Ongoing
2. Trix Policies and Procedures across Children's Social care. All procedures are subject to review and regular updating.								Ongoing
3. Joint delivery of the 'Early Offer of Help Strategy' and associated services are now embedded to meet the duty placed on Council's to coordinate an early offer of help to families who do not meet the criteria for social care services and ensure that the 'step down and step up' processes are robustly managed.								Ongoing
4. Internal quality assurance audits to evidence appropriate application of thresholds.								Ongoing
5. Ongoing data analysis to enable us to benchmark and target areas for improvement; complete redesign of KPI and trends analysis.								Ongoing
6. Ofsted inspections and action plans to address recommendations included in inspection report and subsequent visits or inspections are continually reviewed and updated.								April 2022
7. Implementation of the Think Family Service to support early identification and family support and create financial efficiencies.								
Residual Risk Rating	Date:	28/07/2022	Impact:	Critical (4)	Likelihood:	Likely (3)	Rating:	12

FURTHER ACTION / FORECAST RISK / REVISED RESIDUAL RISK

Further Management or Mitigating Action		Implementation Date	Progress					
8. Ongoing implementation and/or application of actions 1 - 7 above		From July 2022	1-7 ongoing					
9. Peer and External Review of Service Areas along with action plans to support improvements and good practice in the service.			Ongoing					
10. Review of Think Family Service to be undertaken by April 2023		By April 2023	A Review of the Think Family Service is underway with a completion date identified in April 2023.					
Forecast Risk Rating	Forecast Date:	Refresh 31/03/2023	Impact:	Critical (4)	Likelihood:	Likely (3)	Rating:	12
Revised Residual Risk Rating	Date:	23/01/2023	Impact:	Critical (4)	Likelihood:	Likely (3)	Rating:	12

UNMANAGED / INHERENT RISK

Risk Description								Risk Owner/	
Failure to ensure that all children and young people in need of help or protection are safeguarded and supported could result in them not achieving their full potential and increasing the risk of a child death or serious injury.								Janet Simon	
Link to Corporate Priority									
People – A borough where people of all ages are proud to work and play, live and stay – Build on our partnerships with statutory, community, voluntary and faith groups to work together to improve health and wellbeing.									
Inherent Risk Rating		Date:	28/07/2022	Impact:	Critical (4)	Likelihood:	Very Likely (4)	Rating:	16

DASHBOARD

Inherent Risk Rating & Date: 28/07/2022	Residual Risk Rating as at: 28/07/2022	Residual Risk Rating as at: 28/10/2022	Residual Risk Rating as at: 23/01/2023	Residual Risk Rating as at:	Forecast Risk Rating & Date: 31/03/2023

Comments
<p>The nature of the work in terms of safeguarding and supporting children at risk of harm means that this will always be a high-risk area although through the application of Local and S.E.T (Southend, Essex & Thurrock) Child Protection procedures the department actively works to mitigate this risk and reduce the likelihood.</p> <p>The risk of children and young people coming to harm cannot be eliminated and the risk level needs to remain high and ensure clear vigilance across the council and partner agencies. New and emerging risk factors will arise and there is always a potential for agencies 'not knowing, what they don't know' that needs to be guarded against.</p> <p>The Early Offer of Help has supported earlier identification of risk through a multi-agency approach enabling the department to work to intervene at an earlier stage and reduce the risk of harm in some cases. Embedding the Multi Agency Safeguarding Hub will further support this and Thurrock Local Safeguarding Children Partnership (LSCP) arrangements is further improving the inter-agency arrangements to safeguard and promote the welfare of children and young people living in Thurrock.</p> <p>The impact for individual children and families, particularly in cases of child death is significant and whilst actions to reduce the likelihood are implemented the impact will remain as critical. There is also a critical impact score in terms of reputational damage if a child is not safeguarded or should a child death or serious injury occur.</p> <p>The ongoing nature of risk in child protection and safeguarding is such that despite effective mitigation the acknowledgement of the risk needs to remain high and will not reduce. This is not to say that the risks are unmanageable but for effective management the gravity and complexity of the risk needs to be acknowledged.</p> <p>Recruitment of qualified and appropriately experienced permanent social workers is an issue nationally with higher turnover rates. A stable and experienced workforce supports the management of risk and where the service is unable to recruit permanent qualified social workers particularly in areas of safeguarding this means there is a reliance on agency staff which has an impact on resources and stability for children.</p>

Managing this risk places inherent pressures on the Children's Social Care budget as a demand led budget. Effective demand and resource management remain a priority for the service within an overriding context of keeping children safe.

Risk will remain constant throughout the period covered. Regular reporting of performance and progress against plans are shared at CS Overview & Scrutiny Committee and regular monthly Development Board.

LSCP action plan is now agreed and a programme of training has been developed, the LSCP are monitoring the progress of this with service leads.

EXISTING ACTION / RESIDUAL RISK

Management Action or Mitigation Already in Place								Date Implemented
1. Development and Service Plans in line with Ofsted inspections in 2019 ,Focused visit in 2021 and YOS inspection in May 2022.								June 2022
2. Local Safeguarding Children's Partnership arrangements established, action plan in place and regularly monitored/reviewed.								Ongoing
3. Application of the Southend, Essex & Thurrock Child Protection procedures								Ongoing
4. Quality assurance and safeguarding function of Children's Social Care.								Ongoing
5. Legal framework and court action								Ongoing
6. Continue to strengthen the Thurrock Multi Agency Safeguarding Hub, launch of the Family Hubs and Think Family Approach to support early safeguarding.								Ongoing
7. Case Audits								Ongoing
8. Quality assurance framework								Ongoing
9. Maintaining safeguarding arrangements to meet statutory requirements								Ongoing
Residual Risk Rating	Date:	28/07/2022	Impact:	Critical (4)	Likelihood:	Likely (3)	Rating:	12

FURTHER ACTION / FORECAST RISK / REVISED RESIDUAL RISK

Further Management or Mitigating Action		Implementation Date	Progress					
10. Ongoing implementation and/or application of actions 1-11 above as appropriate		From July 2022	1. Development Board and Ofsted Preparation Meetings held monthly. Areas identified within previous Ofsted Inspection and Focussed Visit incorporated into these meetings to ensure they are addressed.					
11. Learning from National Safeguarding Reviews taken forward by Thurrock Local Safeguarding Children Partnership.		Dec 2022	2-9. Ongoing Following information gathering – action plan developed and approved which identifies training and further areas for improvement - LSCP monitoring with service leads – training events focusing on learning are planned.					
12. Recruitment/retention strategy & workforce planning.		Ongoing	Ongoing - see comments table.					
13. Caseloads and Management spans of control that support the safeguarding and oversight of casework.		Ongoing	Ongoing.					
Forecast Risk Rating	Forecast Date:	Refresh 31/03/2023	Impact:	Critical (4)	Likelihood:	Likely (3)	Rating:	12
Revised Residual Risk Rating	Date:	23/01/2023	Impact:	Critical (4)	Likelihood:	Likely (3)	Rating:	12

UNMANAGED / INHERENT RISK

Risk Description							Risk Owner	
The Council has a significant portfolio of property for operational, investment and regeneration purposes. Ensuring that these properties comply with appropriate statutory, regulatory and corporate standards is a significant challenge. In addition to the direct consequences of any incident arising from a property's non-compliance, the Council could be faced with damage to its reputation, financial loss, and the organisation and individual officers facing legal proceedings and in the worst case, the loss of lives of building users. It is therefore imperative that suitable policies and systems are in place to ensure compliance and manage these risks.							Mark Bradbury	
Link to Corporate Priority								
Place – A heritage-rich borough which is ambitious for its future. Fewer public buildings with better services People – A borough where people of all ages are proud to work and play, live and stay – High quality, consistent and accessible public services which are right first time.								
Inherent Risk Rating	Date:	31/10/2022	Impact:	Critical (4)	Likelihood:	Likely (3)	Rating:	12

DASHBOARD

Inherent Risk Rating & Date: 15/07/2022	Residual Risk Rating as at: 15/07/2022	Residual Risk Rating as at: 31/10/2022	Residual Risk Rating as at: 27/01/2023	Residual Risk Rating as at:	Forecast Risk Rating & Date: 31/03/2023

Comments
<p>The Council's Property and Facilities Management (FM) functions have previously been outsourced and have been brought back in house in two separate phases, with FM the most recent in April 2020. The coincidence of this with the global pandemic has to a degree meant that the focus on short term actions in relation to the pandemic has been at the expense of a more strategic approach to planning and resourcing.</p> <p>The ongoing financial challenges faced by local authorities and the changing ways in which services are delivered and people work, many of which have been accelerated during the pandemic, mean that a wholesale review (and thereafter regular ongoing reviews) of the council's property needs and associated policies and strategies (many of which remain as unadopted drafts) is required. These will support the Council's Retain, Reuse, Release approach to property.</p> <p>The Council has already adopted a Corporate Landlord approach to operational property, but this requires appropriate policies to be finalised, the need for corporate properties to be reviewed and the portfolio reduced with sites being consolidated where appropriate and the Property & FM team appropriately resourced to carry out the review, develop and implement strategies and provide ongoing management. The Council's medium term financial plan needs to reflect this resourcing need, the previous failure to transfer full budgets from services alongside the transfer of property and a backlog of maintenance from when properties were managed by services. This pressure should reduce as the portfolio is rationalised and investment focussed on properties which will be retained in the longer term.</p>

The Council has adopted the Concerto platform as its Asset Management System. Implementation of relevant management modules has commenced alongside the transfer of data. This process needs to be accelerated to ensure that the Council has a full picture of ownership, compliance and risk. Property & FM need to work closely with IT to ensure that the system sits smoothly within the Council wide transition to Microsoft 365.

The lack of appropriate strategies, resources and budgets increases the risk of non-compliance in the operational property portfolio and this needs to be addressed to inform the transition to a smaller, more cost efficient, fit for purpose and ultimately net-zero portfolio.

The closure of CO1 and opening of CO3 together with the changes in working practices and service delivery outlined above mean that it is now appropriate to undertake a review of the Civic Centre to ensure optimum utilisation of the space and effective systems covering health & safety and personal, data and asset security

A Property Board will now be set up to ensure effective decision making, governance and reporting around strategic property matters including asset rationalisation, investment strategy, disposals and engagement with regeneration projects.

An Accommodation Board has now been set up to work with services to ensure effective and properly planned use and reuse of operational assets whilst meeting service needs.

The Property & FM Team has a number of vacancies and is also currently over reliant on a significant number of agency staff. Following the promotion of the new Assistant Director to Interim Director of Place steps are being taken to backfill this role and review the structure and recruit into permanent roles. A challenging recruitment market and current perceptions of the Council's financial position present a risk to achieving this.

The Council also owns and manages a portfolio of investment properties. A review of whether these properties meet the current financial, economic and social priorities of the Council and Borough is overdue. Additional resource will be required in the short term to do this and this should be carried out alongside the development of a Property Investment and Investment Management Strategy.

Properties in the Investment portfolio may be affected by the Minimum Energy Efficiency Standards (MEES) which require that no property with EPC ratings of F or G cannot continue to be leased after 1 April 2023. It is important that Council has a clear understanding and the buildings in its portfolio that may not comply. A significant number of properties still need to be assessed and this will require additional resource. Penalties of between 10 and 20% of the properties rateable value may be applied in the event of breaches.

EXISTING ACTION / RESIDUAL RISK

Management Action or Mitigation Already in Place	Date Implemented
1. Corporate Health and Safety Committee established.	Ongoing
2. Asset Management Strategy drafted, consultation with officers undertaken and final draft awaiting DB approval	2018 & ongoing
3. Comprehensive Asbestos Register in place – review being undertaken to ensure accurate building information in place	2018 & ongoing
4. Property Procedure Rules (PPRs) prepared, consulted with officers and key members, awaiting DB approval. Additional Disposals Procedure prepared and submitted for approval in March 2020.	Ongoing
5. Scheme of Delegations reviewed, amended and implemented.	Ongoing
6. Restructure of Regeneration and Assets Service completed in September 2019 and Corporate Property Team transferred to Finance. Apleona FM staff TUPE'd in April 2020.	Mar 2019 to Apr 2020
7. Transfer of all phases and budgets completed	From Jun 2018
8. Compliance and condition surveys for Corporate Landlord Buildings completed April 2020 and new stock condition baseline established and entered into Concerto (new asset management database system), in June 2020.	Jun 2018 to Jun 2020

9. Regular updates on progress and compliance presented to Property Board	From July 2018
10. Retain, Release, Reuse programme for assets implemented	From June 2018
11. Corporate Landlord Working Group developed and work undertaken until Aug 2019	2018 to Aug 2019
12. New Planned & Preventative Maintenance (PPM) programme and compliance module developed and proposal submitted in March 2020 to refresh Property Board with key reporting milestones set against a clearly defined annual forward plan.	Mar 2020
13. Closure of Corporate Buildings due to Covid-19 - Risk assessment, closure protocols & inspection regimes implemented and measures introduced for partial use of Civic Centre and Oliver Road Depot.	March 2020
14. Development of plans in accordance with government guidance for the recommissioning of corporate buildings due to Covid19	Dec 2020
15. An urgent review and restructure of the FM team to cover capacity, skills, technical knowledge and capability constraints.	From August 2020
16. Corporate Landlord Policy and Procedure approved following finalisation of resourcing and governance issue associated with PPRs and restructure approved.	From Oct 2020
17. Finalisation of Concerto Estates Management Module and training for staff	From Oct 2020
18. Review and restructure of the Corporate Property Team	From Dec 2020

Residual Risk Rating	Date:	15/07/2022	Impact:	Critical (4)	Likelihood:	Likely (3)	Rating:	12
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FURTHER ACTION / FORECAST RISK / REVISED RESIDUAL RISK

Further Management or Mitigating Action	Implementation Date	Progress
19. A full review of actions 1 to 18 above to understand level of completion and actions outstanding.	From Sept 2022	Commenced
20. A full review of all current (including draft) policies & strategies	From Sept 2022	Commenced with Paper planned to go to Cabinet in June 2023
21. Establishment of Property Board and Accommodation Board	From Sept 2022 Feb 2023	Accommodation board in place. New Interim AD for Property & FM commenced Jan 2023 and further work to establish boards scheduled from Feb.
22. Review of team structure and recruitment to replace agency staff.	Sept 2022	Bespoke Asset Disposals Team set up and interim staff on board. New Interim AD for Property & FM commenced Jan 2023. Business case being finalised for structure

Forecast Risk Rating	Forecast Date:	Refresh 31/03/2023	Impact:	Critical (4)	Likelihood:	Likely (3)	Rating:	12
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Revised Residual Risk Rating	Date:	27/01/2023	Impact:	Critical (4)	Likelihood:	Likely (3)	Rating:	12
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UNMANAGED / INHERENT RISK

Risk Description	Risk Owner								
<p>The Waste Strategy for Thurrock was adopted by Cabinet in November 2020. The strategy called for radical changes to the waste collection regime across the borough, including the introduction of a separate weekly food-waste collection and a move to alternate-weekly residual waste collections (AWC). As part of the move to AWC there is a requirement to procure a number of larger and specialised waste collection vehicles via procurement framework. The purchase of these vehicles was critical to the delivery of the new services which was originally purposed for September 2022. However, certain factors including further details relating to the proposals in the Governments Waste Strategy for England, a decision was taken to delay the introduction of the new waste collection regime until September 2023.</p> <p>The consultations of a number of elements within the Waste Strategy for England including Extended Producer Responsibility (EPR), Consistent Collection and more source-separated recycling collections are still being debated and any potential impact on the strategy for Thurrock is not known in full at this time. These consultations may also have an impact on a number of waste-disposal contracts presently being negotiated for tender and some potentially challenging decisions may have to be made in order to have appropriate and suitable disposal arrangements in place, that have the potential to allow variations should the national strategy dictate.</p> <p>Key Risks are as follows: Timeline: The Strategy roll-out is planned to commence in September 2023, and in advance of this roll-out a number of elements need to be in place in the lead up to the start-date. Vehicles have been received, and we need to ensure that full risk assessments and safe methods of working are established. Food-caddies have been procured and a schedule of delivery for these caddies needs to be developed. A complete overhaul of the existing waste collection-rounds using Route-Optimisation software is necessary with the new routes having been shared with Trade Unions and operational staff and a communications campaign designed and implemented to support the new scheme to ensure residents are fully aware of all changes and expectations. These elements will need to follow a planned schedule in order to be successful.</p> <p>Political Differences: While the Waste Strategy for Thurrock was approved by Cabinet, there have since been concerns raised by a number of elected members around the collection regime proposed within the Strategy. The Political arena has not changed over the last round of elections, however given the vigorous programme of annual elections within the borough there still remains a potential for a change in leadership that may or may not influence the decisions made as part of the Strategy, as while the overall aim is to improve recycling performance the route to this improvement is open to interpretation and individual political direction regardless of the earlier cross-party co-operations.</p> <p>Government Influences: The Central Government continue to consult around various elements of the Waste Strategy for England, some of which may still have direct financial impacts as they come to fruition. The decision to introduce a mandatory separate food-waste collection by 2023 has determined a number of critical decisions had to be made in order to meet this deadline that may now potentially risk not qualifying for government funding being made available due to said decisions already been taken. The Waste Strategy for Thurrock was written to encompass the current National Strategy, however this stance is fluid and there is a continued risk the Waste Strategy may not now fully embrace the statutory demands of National Policy and may still be subject to further discussion and adjustment.</p>	Julie Rogers								
Link to Corporate Priority									
<p>Place - a heritage-rich borough that is ambitious for its future. Fewer public buildings with better services People – a borough where people of all ages are proud to work and play, live and stay. High quality, consistent and accessible public services that are right first time. Prosperity – a borough that enables everyone to achieve their aspirations. Commercial, entrepreneurial and connected public services.</p>									
Inherent Risk Rating	<table border="1"> <tr> <td>Date:</td> <td>01/08/2022</td> <td>Impact:</td> <td>Critical (4)</td> <td>Likelihood:</td> <td>Very Likely (4)</td> <td>Rating:</td> <td>16</td> </tr> </table>	Date:	01/08/2022	Impact:	Critical (4)	Likelihood:	Very Likely (4)	Rating:	16
Date:	01/08/2022	Impact:	Critical (4)	Likelihood:	Very Likely (4)	Rating:	16		

DASHBOARD

Inherent Risk Rating & Date: 01/08/2022	Residual Risk Rating as at: 01/08/2022	Residual Risk Rating as at: 04/11/2022	Residual Risk Rating as at: 23/01/2023	Residual Risk Rating as at:	Forecast Risk Rating & Date: 31/08/2023

Comments
<p>The Waste Strategy for Thurrock has been adopted and preparations for its implementation have begun. National Strategy and Policy are still being consulted upon and decisions are still being finalised. This has the potential to leave the councils strategy for waste at risk of non-compliance in some areas, however as the Strategy is considered a living document, adjustments and amendments are anticipated. If the national strategy becomes such that decisions taken at the start of writing the local strategy may result in service-delivery choices requiring rethinking or changing. The risk is that such choices around vehicle-design etc. are difficult and potentially costly to change once made. As a result of certain factors, including the ongoing consultation by Central Government on the Waste Strategy for England, a decision was taken to delay the introduction on the new waste collection regime for Thurrock until September 2023.</p> <p>Current staffing provision is not sufficient to deliver this project with the current service pressures and puts the project delivery at risk. Bartec (IT system for waste management services) is currently not up to date and therefore it is unlikely that the provision of data required to accurately route the work is not adequate, additional resource, is required as part of a project team to deliver this project. The staffing establishment is under that of what is required to deliver a collection service to our residents, both now and potentially in the future. Vehicle Risk Assessments show that there is a significant proportion of the roads within Thurrock that cannot be collected by a side loading vehicle for food waste, meaning that alternative collections methods may need to be found. Work ongoing to consider resourcing issues and alternative collection methods to manage the situation.</p>

EXISTING ACTION / RESIDUAL RISK

Management Action or Mitigation Already in Place	Date Implemented
1. The Waste Strategy for Thurrock was formally approved in November 2020.	Nov 2020
2. The procurement process for the new collection vehicles has been completed and the tender awarded to the successful supplier.	Completed
3. Orders for the vehicles placed and delivery programme details are in discussion to finalise delivery dates that will ensure the new collection regime can commence as planned in September-22.	Orders placed
4. Regular monitoring and consideration of consultations with regard to the Waste Strategy for England and reporting of outcomes and impacts.	From July 2021
5. Regular monitoring and reporting to Directors Board, Overview & Scrutiny and Cabinet as appropriate.	From July 2021
6. Programme of phased delivery of vehicles	Dec 21 - Sept 23
7. Consultation & communication with stakeholders.	Ongoing
8. Single Tipping location for all waste streams	Ongoing
Residual Risk Rating Date: 01/08/2022 Impact: Substantial (3) Likelihood: Unlikely (2) Rating: 6	

FURTHER ACTION / FORECAST RISK / REVISED RESIDUAL RISK

Further Management or Mitigating Action			Implementation Date	Progress						
9. Ongoing application of 1 – 8 above as appropriate			From July 2022	<p>3&6. Completed. All vehicles have now been received</p> <p>4. The Waste Strategy for England have now begun consultation on the potential for mandatory further-separation of dry recyclable materials, which if such changes become law will impact on the planned collection methodology within the WS-4-T and potentially require adjustments to the collection regime, an increase to the numbers and/or types of bins/ receptacles provided to residents and the associated costs to the above.</p> <p>5. Any such changes as mentioned above will then need to be debated and approved by DB, ONS-C&G & Finance, before implementation</p> <p>8. Completed. The council have a number of waste disposal contracts and we are due to retender the main disposal contract for residual waste in April 2023, however all domestic waste collected from the kerbside collections and a number of waste streams from the HWRC are all disposed of at a single bulking/transfer location at Aherns Waste Transfer Station, near Oliver Close Depot. While Aherns have several alternate sites for TBC to utilise in the event of a major incident or sustained period of closure, these locations are all out of the Thurrock area. In such an event there would be a considerable impact on domestic collections where all TBC vehicles were required to use an alternate transfer location, with impacts on collection-times. Travelling and fuel costs, with a high probability of collections not being carried out where vehicles are losing time while travelling out of the Thurrock area. Council's approval board for spending have rejected an application for external legal support and expertise for the procurement of the Council's waste treatment contract, this puts the Council at significant financial risk, in light of Government proposals regarding the Emissions Trading Scheme (ETS) and the changes that will be enabled by the Environment Bill.</p>						
10. Route optimisation exercise.			From Jul-22 to Jan-23	Data-cleansing is being carried out, a 'bin-store' container-audit has been implemented to confirm numbers/sizes etc. for input to the route-optimisation software. More resource are required to deliver this						
11. Food caddy procurement and delivery			From Jan-23 to Aug-23	A planned schedule of delivery has been laid out, which will ensure food-caddies will be delivered in order of priority to ensure the new food-waste/recycling collection rounds can be implemented commencing Sept 2023						
12. Discussions with HR regarding resourcing are taking place			Ongoing	Ongoing						
13. Alternative collection methods are being considered/discussed			Ongoing	Ongoing						
14. Roll out of Waste Strategy			Sept 2023	Ongoing						
				Roll-out adjusted to accommodate changes as referred to above.						
Forecast Risk Rating			Forecast Date:	31/08/2023	Impact:	Substantial (3)	Likelihood:	Unlikely (2)	Rating:	6
Revised Residual Risk Rating			Date:	23/01/2023	Impact:	Critical (4)	Likelihood:	Likely (3)	Rating:	12

UNMANAGED / INHERENT RISK

Risk Description								Risk Owner	
The Council is responsible for and provides a wide range of functions and services.								Michal Dineen	
There is a risk that the Authority experiences significant incidents of fraud, bribery, corruption or other economic crime as well as cases of money laundering. This can subsequently result in losses from the delivery of Council functions and services.									
Link to Corporate Priority									
People – a borough where people of all ages are proud to work and play, live and stay. High quality, consistent and accessible public services which are right first time.									
Inherent Risk Rating		Date:	13/07/2022	Impact:	Critical (4)	Likelihood:	Very Likely (4)	Rating:	16

DASHBOARD

Inherent Risk Rating & Date: 13/07/2022	Residual Risk Rating as at: 13/07/2022	Residual Risk Rating as at: 08/11/2022	Residual Risk Rating as at: 12/01/2023	Residual Risk Rating as at:	Forecast Risk Rating & Date: 31/03/2023

<p>Comments</p> <p>The Counter Fraud and investigation (CFI) department, under Thurrock Council, has an organisational-wide strategy and proactive work plan to monitor and manage the identified risks. A persistent training and education regime is in place, where experts from the service work with staff, contractors, Members and in the council’s supply chain to identify and mitigate the risks, and increase awareness.</p> <p>The council has current and effective policies on Counter Fraud, Bribery & Corruption and Money Laundering which are kept under constant review, with relevant updates being added or removed where appropriate. These policies acknowledge the threats and install an action plan in identified incidents including, civil & criminal litigation and redress to recover any identified losses. Any control weaknesses identified in investigations are rectified in collaboration with the affected services and Internal Audit through SMART Action Plans.</p> <p>In past years (FY20/21) the council has come under pressure from COVID-19 and the situation has reduced the traditional work that CFI would complete during a year, however that has not meant the team haven’t assisted in the fight against fraud. Due to the pandemic the government announced a number of grants that were to be administered by local authorities, these were collectively known as Business Support Grants (BSG). The CFI dept have worked closely with the Revenues team (those responsible for administering the grants) to complete pre and post assurance checks on all applications that were received. This preventative counter fraud work saw 61 grant applications investigated and stopped, saving over £600,000 of potential losses of public funds.</p>

These risks have sat alongside the 'normal' fraud risks that the council faces every day, namely Single Person Discount fraud, Tenancy Fraud, Right To Buy fraud as well as other forms of fraud such as Procurement/Contract fraud. The fraud awareness programmes that were put to all staff will assist with identifying this risk and early intervention is always key to an organisation combating the risk it faces. These have continued and working alongside our alert system, staff are made aware of fraud trends and or known risks.

Covid 19 has also enabled an easier avenue for 'mandate fraud' which has been highlighted to staff, as we are not in the office spaces we once shared on a daily basis, communication is largely placed within the email systems. This can create the opportunity for criminals to compromise email accounts and facilitate a fraud. Where staff would normally be able to speak directly to a colleague, this now does not happen on a regular occurrence and must be brought into the risk faced by the council. CFI have been approached by various councils who have fallen victim to £1m+ mandate frauds.

CFI continues to run a programme of proactive work proposed to ensure the council's posture against fraud is robust and effective. Details of the proactive work programme are included in the management action plan for the risk. Proactive work plan and CF&I Quarter 1 Update report provided to Standards and Audit Committee in July & October 2022.

The risk remains at 12, as new risks have emerged alongside old risks, the new risks have mitigated measures taken, however it is clear that those measures do not affect the 'attempts' we come across and thus it is felt that the risk to the council remains likely and critical. The council can ill afford a substantial loss of funds at this very critical time.

A recent attempt at a MANDATE FRAUD took place that targeted senior members of the council staff. This was not successful nor was it sophisticated. It has been established that this was an attack from outside of the UK and law enforcement was notified. Counter Fraud measures worked, in that this was immediately reported to CFI and email headers etc were captured. Financial information provided during the fraud attempt also allowed for the accounts to be notified as being used in fraud and disrupted the fraud group's ability to hold the account open. Further education on various fraud scams will be published in the coming weeks.

EXISTING ACTION / RESIDUAL RISK

Management Action or Mitigation Already in Place	Date Implemented
1. Establishment & proactive enhancement of CFID	Nov 2014
2. Fraud and Corruption Policy established and maintained from 2014	From 2014
3. Counter Fraud Work Plan established and maintained	2017
4. Regular review of policies and procedures from within the council to ensure that it can prevent, detect and deter and fraud and other economic crime.	From Nov 2014
5. Counter Fraud and Money Laundering Policies Established and maintained.	2017
6. Corporate-wide Bribery & Corruption Risk Review	From Oct 2018
7. Corporate-wide Cyber Crime Risk Review	From Dec 2018
8. Fraud risk matrix/loss assessment development and roll out	From Jul 2018
9. Review of supply chain against identified national crime risks	Oct 2018
10. Ad-hoc services to prevent/detect fraud (e.g. operations to prevent/detect housing tenancy fraud, counter money laundering & social care fraud)	From Oct 2018
11. Enhanced intelligence programme	Feb 2019
12. Application of Counter Fraud Risk Analytics across the council's high risk/threat areas.	From May 2020
13. Install improved Anti-Money Laundering (AML) controls at all of the council's Customer Contact Points.	From May 2020
14. COVID-19 Business Grants Counter Fraud Programme.	From May 2020
15. Fraud e-learning training programme.	Dec 2020
16. Training of high risk areas in counter fraud measures	From Jun 2021

17. Mandate Fraud – Counter fraud/awareness	July 2021
18. Renewed Education & Marketing Campaign for Countering Fraud, Bribery, Corruption and Money Laundering	From Dec 2021
19. Ongoing review all policies concerning fraud aspects	Jan 2022
20. National Fraud Initiative – matching of council data with wider-public sector data to prevent fraud and possible fraud.	March 2022
21. Training of high risk areas in counter fraud measures	May 2022
22. Covid -19 Business Grants Counter Fraud	May 2022
23. Targeting POCA and Civil Legislation to maximise effect on criminal behaviour	From Jun 2022
Residual Risk Rating	Date: 13/07/2022 Impact: Critical (4) Likelihood: Likely (3) Rating: 12

FURTHER ACTION / FORECAST RISK / REVISED RESIDUAL RISK

Further Management or Mitigating Action	Implementation Date	Progress
24. Ongoing application of actions 1-23 above as appropriate.	From July 2022	1-13, 15,17 Ongoing 14. Completed (see comments table for details) 16&21. Ongoing and will be delivered to the high-risk areas. Intention to deliver fraud training to members within next 6 months. 22. Completed and ongoing 23.This will be continued and working with Environment Crime Unit will be first to utilise the relationship
25. Review all relevant policies concerning fraud aspects of the council's business	Jan 2023	This has been completed by Michael Dineen, AD for fraud.
26. Fraud Health Check on the Social Care application process	Apr 2023	This is in planning and a strategy will be delivered to the Assistant Director and Director within this work area.
Forecast Risk Rating	Forecast Date: Refresh 31/03/2023	Impact: Critical (4) Likelihood: Likely (3) Rating: 12
Revised Residual Risk Rating	Date: 12/01/2023	Impact: Critical (4) Likelihood: Likely (3) Rating: 12

UNMANAGED / INHERENT RISK

Risk Description	Risk Owner								
<p>Councils have a legal obligation to put together a Development Plan. The main document within our current Development Plan is the Core Strategy (as amended) which was adopted in 2015 although some policies within it date to 2011. The National Planning Policy Framework states policies in the development plan, should be reviewed to assess whether they need updating at least once every five years, and should then be updated as necessary. Work on reviewing the Core Strategy and replacing it with a new Local Plan commenced in 2014. Although the Council has already undertaken two public consultations on the emerging Local Plan and prepared/commissioned several technical evidence studies we are still at an early stage in the plan making process and will need to undertake at least two more formal consultations before the new Local Plan can be submitted to the Secretary of State and then subject to an independent Examination in Public.</p> <p>Failure to prepare and maintain an up-to-date Plan will put the Council at risk of possible intervention by the Secretary of State and may lead to the loss of plan making powers and the Council's New Homes bonus and the ability to bid for national funding support for new infrastructure. In addition, a failure on the part of the Council to provide a rolling five-year land supply would also increase the possibility that landowners and developers would be able to obtain planning permission upon appeal to the Secretary of State for speculative, uncoordinated and piece-meal development in the Green Belt.</p> <p>Potential risks include:</p> <p>Page 52 Uncertainty surrounding the alignment, design and phasing of the Lower Thames Crossing (LTC) which could have an adverse impact on the availability of land for future development. There is also a risk that any further delay in concluding the LTC DCO process will impact upon the Councils ability to submit its Local Plan for examination.</p> <p>Uncertainty surrounding the alignment, design and phasing of the East Anglia Green Energy Enablement (GREEN) project which could have an adverse impact on the availability of land for future development.</p> <ul style="list-style-type: none"> • Impact of Covid-19 in terms of team resources (risk of illness) and the plan-making process specifically with regards to planned face to face consultation events. • Impact of the Census information releases and publication of datasets looking at post pandemic trends on our evidence base production. Unexpected changes could involve us having to recommission evidence to ensure that the future and existing needs of local communities are appropriately addressed within the Plan. • Further changes to the national planning policy and guidance which could impact upon the content emerging policies and evidence causing delays to the plan making process as the Plan needs to be in conformity with national policies to be found sound. • Potential changes to guidelines about how a Plan should be prepared and its format could involve the Council having halt production of the Local Plan to transition over to the preparation of a different type of Local Plan. • An ongoing failure to recruit and retain experienced policy planners to support and expedite the preparation of the Local Plan. • Reduction in resource allocation towards the Local Plan project which could delay and/or halt the Plan's production. • The impact of local and national political considerations on the plan-making process. 	<p>Mark Bradbury Leigh Nicholson Sean Nethercott</p>								
Link to Corporate Priority									
<p>Prosperity – A borough which enables everyone to achieve their aspirations. Attractive opportunities for businesses and investors to enhance the local economy Place – A heritage-rich borough which is ambitious for its future. Roads, houses and public spaces that connect people and places</p>									
Inherent Risk Rating	<table border="1"> <tr> <td>Date:</td> <td>31/08/2022</td> <td>Impact:</td> <td>Critical (4)</td> <td>Likelihood:</td> <td>Very Likely (4)</td> <td>Rating:</td> <td>16</td> </tr> </table>	Date:	31/08/2022	Impact:	Critical (4)	Likelihood:	Very Likely (4)	Rating:	16
Date:	31/08/2022	Impact:	Critical (4)	Likelihood:	Very Likely (4)	Rating:	16		

DASHBOARD

Inherent Risk Rating & Date: 31/08/2022	Residual Risk Rating as at: 31/08/2022	Residual Risk Rating as at: 07/11/2022	Residual Risk Rating as at: 31/01/2023	Residual Risk Rating as at:	Forecast Risk Rating & Date: 31/03/2023																																																																																																																												
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<p>An up-to-date Local Plan is the main way that councils set their planning policies. Previous planning policy documents that have expired do not carry the same weight when it comes to deciding the outcome of a planning application. Without an up-to-date Local Plan, councils can lack the policies they need to prevent inappropriate or damaging development in their area.</p> <p>In 2014 Thurrock Council committed itself to preparing a new Local Plan. This Plan will set out the planning strategy and priorities for the area and covers issues such as where new housing should be built, what type of homes are needed, and what additional infrastructure will be required to accommodate those homes. It can also designate land for different purposes, such as residential or industrial, and can give protection from development to open and green spaces.</p> <p>The new plan will set out a clear strategy for the council area, and for the different communities that make up that local authority. Rather than having to take a fragmented piecemeal approach to each individual development, a up to date Local Plan provides structure and represents a more coordinated and holistic approach to planning and managing growth.</p> <p>Policies and allocations within the emerging plan will apply to development schemes being promoted by private individuals, businesses and organisations as well as schemes being put forward by the council and other public sector organisations.</p> <p>Preparing a Local Plan in an area such as Thurrock can be very complex as there are lots of competing land pressures (balancing the need for new homes, against economic growth and the need to protect and enhance green infrastructure assets), several Nationally Significant Infrastructure Projects which have the potential to come forward or commence within the Plan Period and potential changes to the national planning system.</p> <p>For a Plan to be successful and to appropriately balance these competing pressures we need to ensure that the plan making process is supported by robust evidence and that all key stakeholders including locally communities have been given appropriate opportunities to feed into and shape the Plan. Over the last few years, we have made some progress towards completing the Regulation 18 stage – but additional stakeholder engagement and technical evidence is required before we can move on to producing a Publication Draft Plan (Regulation 19). Changes to financial processes within the authority means that there is now some uncertainty as to whether the funding will be available to commission the technical evidence needed to support the Plan making process. In addition, the Local Plan team have struggled to fill vacant posts that sit within the team structure. Currently we are still on schedule to meet our next plan making milestone but if we are unable to secure the necessary funding and fill our vacant posts there will be delays to the plan making process and the plan adoption date would likely need to be pushed by 12-18 months.</p>

EXISTING ACTION / RESIDUAL RISK

Management Action or Mitigation Already in Place								Date Implemented
<u>1. Main Plan Making Stages</u> 1.1 Initial Call for Sites 1.2 Issues and Options (Stage 1) 1.3 Your Place, Your Voice Roadshows 1.4 Issues and Options (Stage 2) 1.5 Area Based Design Charrettes 1.6 Your Place, Your Voice Roadshows, Informal consultation								Annual/ongoing Feb - Apr 16 2018/19 Dec18 - Mar19 Dec20 - Mar22 July22-Sept22
<u>2. Other elements and/or measures developed to manage the impact of the risk of the local plan being frustrated, delayed ore derailed by internal & external influences:</u> 2.1 Adopting an iterative approach to developing the local plan evidence base, including testing a range of scenarios to help better understand the potential options (e.g. with/without LTC). Evidence based approach to plan making to ensure that both Members & the Local community are made fully aware of the implications and impacts of adopting a range of different spatial options. 2.2 Ongoing engagement and communication with Stakeholders (i) Members (ii) Public (iii) Gov Bodies/Depts, Public Bodies/Organisations (iv) Businesses, Land Owners & Developers 2.3 Maintain and build resources/capacity to support the plan making process and help fund/prepare the plan. (i) Recruitment & Retention of staff (ii) Rollout of Local Plan Performance Agreements (PPAs) (iii) Build capacity with Gov Bodies/Depts to support the early delivery of homes and supporting infrastructure 2.4 National Planning Reforms								Ongoing Ongoing Ongoing Ongoing
Residual Risk Rating	Date:	31/08/2022	Impact:	Critical (4)	Likelihood:	Likely (3)	Rating:	12

FURTHER ACTION / FORECAST RISK / REVISED RESIDUAL RISK

Further Management or Mitigating Action	Implementation Date	Progress
Ongoing application of items 1 - 2	From Aug 2022	1.1 Ongoing 1.2-1.6 Completed 2.1 (and 2.2(i)) Several key studies are currently underway. However, there are still significant gaps in the evidence base, the Local Plans Team are currently reviewing the evidence program to ensure that it is robust and proportionate. The Local Plan Team are also running a series of all Member events to give Elected Members the opportunity to better understand the plan making process and check and challenge the assumptions and evidence feeding into it. 2.2 Work ongoing with the Communications Team to update the web content

		<p>2.2 (i) Ongoing Members Briefings to build understanding & maintain cross-party support for the emerging Local Plan, including Portfolio Briefings, Local Plan Taskforce meetings, informal cabinet meetings and discussions with relevant Overview and Scrutiny committees.</p> <p>2.2 (iii) Ongoing proactive engagement with NH & Gov depts on LTC scheme</p> <p>2.2 (iv) Ongoing engagement with landowner and developers via Local Plan Developer Forum and the Local Plan Planning Performance Agreement (PPA) process to support/ the preparation of the Local Plan.</p> <p>2.3 (i) Ongoing work with other services in planning to improve employment terms/conditions to help recruit & retain experienced planners. Ongoing recruitment of additional professional/technical support (e.g. appointments of full-time staff, consultants & short term fixed term contracts) to support plan preparations.</p> <p>2.3 (ii) Ongoing rollout of the Local Plan Planning Performance Agreements (PPA) with site promoters to support the preparation of the Local Plan</p> <p>2.3(iii) Ongoing work with Dept for Levelling Up, Housing & Communities; Homes England, Dept for Transport and Highways England.</p>
<p>1. Main Plan Making Stages</p> <p>1.7 Informal consultation opportunity – Local Plan Evidence Roadshow</p> <p>Page 5</p> <p>1.8 Local Plan – Preferred Options (Regulation 18)</p> <p>1.9 Local Plan (Reg 19) – Pre-Submission Draft</p> <p>1.10 Local Plan - Submission</p> <p>1.11 Examination in Public with people who have consulted previously</p> <p>1.12 Main modifications consultation</p> <p>1.13 Inspectors Report Published</p> <p>1.14 Adoption of Local Plan</p>	<p>Jan 23</p> <p>July 23</p> <p>July 24</p> <p>Oct 24</p> <p>TBC</p> <p>TBC</p> <p>TBC</p> <p>TBC</p>	<p>1.7 Technical evidence originally anticipated to be completed late September have not yet been finalised. We are aiming to publish this information on our website before the end of February. As a result of these delays and budget pressures we have decided to change the format of events and are looking to piggyback onto community forum meetings over the coming months.</p> <p>1.8 We have started pulling together a skeleton draft of the document and are currently populating key sections of the draft Plan for discussion with Senior Officers and elected Members. These discussions are anticipated to take place over the next few months and should ensure that the content of the Plan and the reasoning behind specific policy choices are fully understood by all when the document is considered by Full Council in July 2023.</p>
<p><u>2. Other elements and/or measures developed to manage the impact of the risk of the local plan being frustrated, delayed ore derailed by internal & external influences:</u></p> <p>2.5 Ongoing consideration of Nationally Significant Infrastructure Projects that may influence the plan (LTC, Future expansions of Tilbury Port, London Resort and National Grid Green)</p>	<p>Ongoing</p>	<p>2.5 The Lower Thames Crossing entered into the DCO process last year – Strategic Services will need to contribute to the Council’s response process,</p>

2.6 Ongoing consideration of the Levelling Up and Regeneration Bill			Ongoing	<p>it is anticipated that we may need to collectively contribute approx. 37hrs per month.</p> <p>2.6 The “Levelling-up and Regeneration Bill: reforms to national planning policy” consultation began on 22 December and ends on Thursday 2nd March 2023. The consultation: Sets out NPPF amendments intended to be made quickly; Discusses the potential scope of a future NPPF consultation, to be carried out alongside a consultation on the first National Development Management policies; Proposes other policies and legislation that would be enabled by Royal Assent of the Levelling Up and Regeneration Bill; Includes policy and legislation related to other primary legislation and topics. It is unclear at the moment how much of an impact these changes may have on the emerging Local Plan.</p>				
Forecast Risk Rating	Forecast Date:	Refresh 31/03/2023	Impact:	Critical (4)	Likelihood:	Likely (3)	Rating:	12
Revised Residual Risk Rating	Date:	31/01/2023	Impact:	Critical (4)	Likelihood:	Likely (3)	Rating:	12

UNMANAGED / INHERENT RISK

Risk Description								Risk Owner	
A lack of affordable private rental sector (PRS) accommodation in Thurrock due to increased rent levels, driven by migration in to the borough and welfare reforms meaning those on means tested benefits are unable to keep pace. These, coupled with the implementation of additional duties under the Homelessness Reduction Act 2017 (HRA17), have led to a year-on-year increase in households approaching the Council for homelessness assistance and associated pressure on the MTFs Homelessness budget.								Ewelina Sorbjan	
Link to Corporate Priority									
People - a borough where people of all ages are proud to work and play, live and stay. Build on our partnerships with statutory, community, voluntary and faith groups to work together to improve health and wellbeing.									
Inherent Risk Rating		Date:	01/07/2022	Impact:	Substantial (3)	Likelihood:	Very Likely (4)	Rating:	12

DASHBOARD

Inherent Risk Rating & Date: 01/07/2022	Residual Risk Rating as at: 01/07/2022	Residual Risk Rating as at: 01/10/2022	Residual Risk Rating as at: 03/01/2023	Residual Risk Rating as at:	Forecast Risk Rating & Date: 31/03/2023

Comments

The C-19 pandemic saw a ban on evictions and the closure of Courts which, having reopened, are now clearing the backlog. There is a nationwide increase in Evictions of 158% according to Govt statistics. The current inflationary pressures and supply side issues detailed above have seen more Thurrock residents accruing rent arrears and facing eviction with all economic indicators suggesting this will continue throughout 22/23. Neighbouring Authorities (particularly London LAs) are placing individuals and families in high volumes further saturating the Private Rental Sector market and driving up prices. Landlords are evicting for rent arrears and to achieve higher rents (above LHA) on their units. Landlords are insisting on large incentive payments, circa £3-5k, to grant an assured shorthold tenancy to someone on means tested benefits without a guarantor.

In the final year pre-HRA17 (2017-18), 1395 households approached the council for assistance with homelessness. The numbers of households approaching the council has been consistently higher since, with 1638 households approaching in 2018-19, 2026 households approaching in 2019-20, 1823 households approaching in 2020-21 and 1821 households approaching in 2021-22. This represents a 30% increase in approaches since the HRA17 was introduced, and the number of approaches is likely to have been higher had it not been for the action taken to protect renters during the COVID-19 pandemic. Through Q1 2022/23, 495 households approached the council for assistance with homelessness – this represents the most Q1 approaches since 2019/20 (494).

One of the most common reason for homelessness in Thurrock remains the termination of an assured short hold tenancy. These most marked trend is for these evictions from assured shorthold tenancies are driven not by rent arrears or any other 'tenant fault' grounds, but by the landlord opting to evict the current tenant and re-let the property at a higher rent for the reasons set out above.

Thurrock's strategic geographical location (adjacent to London with excellent transport links) makes it an affordable and desirable area. The lower quintile housing market value is a realistic housing option when compared to London. As such, and in the light of London's scarce housing affordability, moving to Thurrock is increasingly an option which families now living in London are considering.

The Council's Homelessness Prevention and Rough Sleeping Strategy represents an ambitious approach rooted by the fundamental principle that homelessness is not simply a housing issue, but is instead a complex social challenge requiring true collaboration to tackle effectively. A Homelessness Partnership Board has been established which aims to achieve the key strategic aims included within the Strategy document. These will be reached having a jointly developed and owned action plan, where successful outcomes will be delivered by leveraging the collective knowledge, experience, influence and expertise of the range of board members and their respective organisations.

Work is ongoing to reduce the use of, and thereby costs of, Temporary Accommodation (TA) in the private rented sector however the use of the council's own stock for temporary accommodation will have a detrimental impact on the availability of properties to applicants on the Housing Register. Housing Solutions are working with homeless households and private landlords to secure longer term private sector tenancies by incentivising landlords.

Last year Housing had a business case approved which utilised 'Right to Buy' receipts, combined with HRA prudential borrowing, to purchase properties in line with need. These were initially used to move people on from expensive nightly purchase TA into units incorporated into tenancy managements general needs stock. Further units were purchased which are to be used as 'Furnished Lets' as a cost-effective way of providing our own TA and maintaining homeless households within Thurrock. There is a new business case being considered under the 'transformation plan' to further expand this project.

EXISTING ACTION / RESIDUAL RISK

Management Action or Mitigation Already in Place	Date Implemented
1. Providing residents with budgeting advice as part of their personalised Housing Plan and assistance to access support services, including advice provided by our Financial Inclusion Officers	Ongoing
2. Working with internal and external partners to support households which are homeless or at risk of homelessness through contracted services and the regular Housing Mental Health and Homelessness Forum	Oct 2018
3. Working with internal and external partners to review welfare reform and assess implications in a strategic forum, including addressing challenges resulting from welfare changes and increasing financial inclusion across the borough in conjunction with the Council's Fair Debt programme.	Jan 2019
4. Provision of incentives to encourage under-occupying social housing tenants to move to smaller properties.	Ongoing
5. Use of the Jigsaw and Northgate Housing Management systems to generate management and performance information to drive improvements to service delivery	Nov 2016 / Apr 2018
6. Additional funding achieved to mitigate impact of new duties which form part of Homelessness Reduction Act, allowing for the recruitment of additional officers.	April 2022
7. Regular contact and meetings with a Homelessness Adviser from MHCLG to ensure awareness of further funding and emerging best practice.	Ongoing from April 2019
8. New Homelessness Prevention and Rough Sleeping Strategy	March 2020
9. Implementation of selecting licensing to improve quality of private rental sector properties in selected localities across the borough	Nov 2021
10. Additional funding obtained from MHCLG to provide a focussed service (BEAM) aimed at empowering applicants to find employment and training opportunities.	Jan 2020
11. Establishment of Homelessness Partnership Board to drive forward the key strategic actions in the Homelessness Prevention & Rough Sleeping Strategy	Mar 2020

12. Adopting a Human Learning Systems Approach to achieve sustainable interventions for those with multiple and complex needs emphasising the need for collective work across and within departments.								Nov 2021
Residual Risk Rating	Date:	01/07/2022	Impact:	Substantial (3)	Likelihood:	Very Likely (4)	Rating:	12

FURTHER ACTION / FORECAST RISK / REVISED RESIDUAL RISK

Further Management or Mitigating Action	Implementation Date	Progress						
13. Ongoing application of actions 1-12 above as appropriate	From July 2022	7&10. DLUHC visited and gave positive feedback.						
14. Creation of a 'Complex Care' team to lead on Housing Solutions work with people in housing need whose Mental Health or Substance misuse effects their ability to access services.	Aug 2022	Recruitment of the Psychologist continues to delay the Complex Care Team start.						
15. Review of Housing Allocations Policy to identify opportunities to prioritise homeless prevention	Nov 2022	Work to update the policy continues with consultation from across all departments.						
16. Management of Mandatory and Additional HMO Licensing to improve the quality of HMO accommodation in the private sector, reducing the likelihood of approaches from households living in HMOs where the presence of severe HHSRS hazards would result the property being unreasonable for the household to continue to occupy, and increasing the levels of safe and suitable PRS stock for use in the prevention and relief of homelessness	Ongoing	PRS team continue to check properties in line with timescales set out in individual HMO licences. Also carry out action days in areas highlighted by intelligence received. Finding of Hazards on track for this year.						
17. Expansion (5 -10 units) of Thurrock's Housing First project to include those with enduring mental Health challenges in addition to homeless individuals with a history of entrenched or repeat homelessness	TBC - subject to business Case approval	Delays to presentation at DMT then questions around funding delayed again. This a priority for Housing Solutions who are contributing £48k. This must not be delayed further. Delays in recruitment.						
18. Provision of specialised accommodation for those who've had repeated unsuccessful placements.	TBC- subject to business case	Delayed (potentially long term) as Oak House deemed unsuitable and further properties purchased against borrowing would not be financially viable.						
Forecast Risk Rating	Forecast Date:	Refresh 31/03/2023	Impact:	Substantial (3)	Likelihood:	Very Likely (4)	Rating:	12
Revised Residual Risk Rating	Date:	03/01/2023	Impact:	Substantial (3)	Likelihood:	Very Likely (4)	Rating:	12

UNMANAGED / INHERENT RISK

Risk Description	Risk Owner
<p>The cost of living continues to be a major concern for many of our tenants. Rising prices of food, fuel and transport along with increasing interest rates and rents are forcing people to make hard choices about how they spend their money. The least well off are the worst affected and rent revenue from social housing tenants is likely to be impacted. Residents in fuel poverty are more likely to experience serious adverse health events leading to increased hospital admissions and demand on adult social care services.</p> <p>There are an estimated 9,103 households in fuel poverty in Thurrock, a number expected to rise to in excess of 13,000 given home energy price inflation. Increases of 54% (average £700pa) were imposed in April 2022 and a scheduled rise of a further 80% (average £1600pa) were scheduled for October 2022. The government announced an average use cap (the Energy Price Guarantee EPG) of £2500 and the Household Energy Support Scheme to mitigate increases. The EPG is to be continued from April 2023 but increased to £3,000pa. This will last until April 2024. The typical household energy bill rose from circa £1280 to circa £3200 this year with the threat of this rising further in 2023.</p> <p>Failure to act: Failure to support our residents who are impacted by rising costs and interest rates will result in:</p> <ul style="list-style-type: none"> Financial hardship for our residents including some of our most vulnerable residents Consequent impact on demand for core council services Direct and indirect impact on council staffing resources Direct impact on rent income stream to the Housing Revenue Account and Council Tax Increased demand on ASC external placement budgets An increase in evictions/homelessness, leading to increased demand on homelessness budgets 	<p>Peter Doherty</p>

Link to Corporate Priority

People – a borough where people of all ages are proud to work and play, live, and stay. This means:

- build on our partnerships with statutory, community, voluntary and faith groups to work together to improve health and wellbeing
- communities are empowered to make choices and be safer and stronger together

Inherent Risk Rating	Date:	01/07/2022	Impact:	Critical (4)	Likelihood:	Very Likely (4)	Rating:	16
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DASHBOARD

Inherent Risk Rating & Date: 01/07/2022	Residual Risk Rating as at: 01/07/2022	Residual Risk Rating as at: 01/10/2022	Residual Risk Rating as at: 16/01/2023	Residual Risk Rating as at:	Forecast Risk Rating & Date: 31/03/2023

Comments

The Authority's ability to successfully manage the effects of the cost of living increases locally continues to be re-evaluated and overseen by groups such as the corporate fuel poverty task and finish group. With the assistance of the CPI and using a HLS based approach, targeted cohorts of those most vulnerable will be identified and work will begin on assisting those in need. The mechanisms and processes are in discussion phase at present and are being discussed at the Steering Group meetings. Overall, the ability of service users to deal with this issue is a challenge and it is noted that council workers increasingly have to provide higher levels of support to a wide range of claimants and people affected.

We are taking a wide range of actions to mitigate the risk as noted in the management action plan for the risk. We continue to work with Sanctuary Housing to provide appropriate support to tenants who may be experiencing hardship. Financial Inclusion Officers are tasked with dealing with all new claims to Universal Credit and complex or amended circumstance cases.

Increased focus on income maximisation, benefit claims including those with the potential for premium add-ons to existing benefits, missing cost of living payments. In house financial assistance through Discretionary Housing Payment (DHP), Local Council Tax Support (LCTS) and Council Tax Hardship Fund.

EXISTING ACTION / RESIDUAL RISK

Management Action or Mitigation Already in Place	Date Implemented
1. Welfare reform group established and meeting quarterly	Ongoing Group has not sat future under review
2. Fuel Poverty Scoping Group initiated	Ongoing
3. Financial Inclusion Officer intervention – increased case referral and events in place	Ongoing
4. Signposting of funding streams for residents - Identification and accessing of appropriate support and discounts:	Ongoing
<ul style="list-style-type: none"> 5. Discretionary Housing Payment where appropriate and permitted – fund reduced by over 30% to £366,304.00 6. - Foodbank/ voucher availability and issue - Household Support Fund/ELF for Fuel Grants - Warm Homes Discount - Government support package 	
5. Staff continuously updated on new measures and support available	Ongoing
6. Referrals to specialist support agencies eg Sanctuary, CAB, Debt Management Services, Turn2Us	Ongoing
7. Continued closer working with DWP and Universal Credit Management Teams	Ongoing
8. Housing Services: <ul style="list-style-type: none"> (i) Ensure the Rents team are updated with all changes to legislation regarding support packages announced by central government (ii) Provide benefits, debt and money advice to council tenants, Examples include: visits to residents at home and at outreach centres where needed. Partnership with Sanctuary established to provide debt and financial advice and other support services to residents. (iii) Undertake monitoring and management of potential increased rent arrears/evictions: <ul style="list-style-type: none"> - Rents and Welfare team monitoring the level of rent arrears and endeavour to make contact with those affected and provide advice and assistance in order to assist in sustaining their tenancies. - Financial inclusion officers working with tenants affected by changes, maximizing income and reducing expenditure and Sanctuary to provide financial advice and other ongoing supporting services to residents. 	Ongoing
9. The Rents team will continue to make contact with residents by visit, telephone, e-mail and text message and offer support where needed.	Ongoing
10. Continued use of Mobysoft text messaging service as a further means of managing our contact with tenants in arrears and the implementation of the automation process to ensure early intervention and provide an extra means of communication.	Ongoing

11. Extended Communications methods including more focus on delivering key messages via resident newsletter and Social Media platforms.								Ongoing
12. The Council's bid to the UK Shared Prosperity Fund includes funding to tackle this through additional capacity in relation to supporting financial inclusion, health and wellbeing and energy efficiency improvements. This fits under the UKSPF E13: Community measures to reduce the cost of living category.								Ongoing
Residual Risk Rating	Date:	01/07/2022	Impact:	Substantial (3)	Likelihood:	Very Likely (4)	Rating:	12

FURTHER ACTION / FORECAST RISK / REVISED RESIDUAL RISK

Further Management or Mitigating Action	Implementation Date	Progress						
13. Ongoing monitoring of points 1 – 12 above through report led data.	From July 2022	<p>1. This group was established following the Localism Act 2012 to focus on mitigating the impact of the various welfare reforms. It has not sat for a while and it's future is being discussed given all the reforms have now been implemented and the residual risk is being managed elsewhere (See Corporate Risk No.5 / Welfare Reform for details).</p> <p>2. Renamed the Fuel Poverty Steering Group – this is being supported by three groups including data and operations – which are focusing on the interventions for approx. 10 cohorts (covering approx. 3500 households) identified through Public Health data who are at risk of adverse health outcomes as a result of fuel poverty .</p> <p>3. The current FIOs are working at capacity – cross reference action 12. and the successful funding application for an additional resource 4-8 & 10-11. Ongoing/monitoring</p> <p>9. Text campaign separate to Talk about Rents scheduled.</p> <p>12. Agreed and recruitment process is ongoing – funding is for 2 years. The staff member will set within Well Homes/Private Housing.</p>						
14. Extended Communications methods including more focus on delivering key messages via resident newsletter and Social Media platforms.		Being overseen by the Fuel Poverty Steering and Operations' Groups						
15. The Council's bid to the UK Shared Prosperity Fund includes funding to tackle this through additional capacity in relation to supporting financial inclusion, health and wellbeing and energy efficiency improvements. This fits under the UKSPF E13: Community measures to reduce the cost of living category.		Funding secured in December 2022 – new Financial Inclusion Officer to sit within the private rented sector team						
Forecast Risk Rating	Forecast Date:	31/03/2023	Impact:	Critical (4) Substantial (3)	Likelihood:	Unlikely (2) Very Likely (4)	Rating:	8 12
Revised Residual Risk Rating	Date:	16/01/2023	Impact:	Substantial (3)	Likelihood:	Very Likely (4)	Rating:	12

UNMANAGED / INHERENT RISK

Risk Description								Risk Owner		
<p>On 12 April 2017, the government announced its preferred route for a new Lower Thames Crossing between Thurrock and Kent. The preferred route was:</p> <ul style="list-style-type: none"> • a bored tunnel crossing under the River Thames east of Gravesend and Tilbury – Location C • a new road north of the river which will join the M25 between junctions 29 and 30 – Route 3 • a new road south of the river which will join the A2 east of Gravesend – Western Southern Link <p>The position of Thurrock Council is that it is opposed to any new river crossing in Thurrock. Notwithstanding this opposition, the Council recognises that should this scheme go ahead there should be the highest possible levels of mitigation and benefit to the residents of Thurrock. There is a risk that Thurrock’s interests are not fully considered by the process, resulting in poor outcomes for the community and businesses in the borough.</p>								Colin Black		
Link to Corporate Priority										
Place – A heritage-rich borough which is ambitious for its future. Roads, houses and public spaces that connect people and places										
Prosperity – A borough which enables everyone to achieve their aspirations. Attractive opportunities for businesses and investors to enhance the local economy										
Inherent Risk Rating			Date:	08/07/2022	Impact:	Critical (4)	Likelihood:	Very Likely (4)	Rating:	16

DASHBOARD

Inherent Risk Rating & Date: 08/07/2022	Residual Risk Rating as at: 08/07/2022	Residual Risk Rating as at: 01/10/2022	Residual Risk Rating as at: 03/01/2023	Residual Risk Rating as at:	Forecast Risk Rating & Date: 31/03/2023

Comments
<p>As this is Highways England’s scheme and the Council is a statutory consultee, management of this risk is reactive to the plans and proposals brought forward by Highways England as well as the timescales laid out in legislation covering the Development Consent Order (DCO) process.</p> <p>Responding to these plans and proposals impacts of every service area within the Council and will rely heavily on their time at different points in the Development Consent Order (DCO) process.</p> <p>This scheme will impact the health and wellbeing of residents affected by the construction of the crossing as well as the traffic once the crossing is constructed. The uncertainty around LTC has impacted the statutory local plan process which may not be resolved until the DCO is determined.</p>

The work of the Task Force has involved holding public meetings with National Highways (NH) on themed issues, such as areas of influence, visual impact and health impact. The scheme was at statutory consultation stage until 20 December 2018. The Council submitted its formal consultation response after the extraordinary Council meeting in December. Since March 2019 NH has been reviewing consultation responses and therefore progress has been very slow. Further consultation took place between January 2020 to March 2020 and July 2020 to August 2020. The latest consultation took place April 2021 to June 2022. The DCO was submitted in October 2020 and withdrawn in November 2020 due to adequacies of consultation and technical issues. NH has received a copy of the Hatch report commissioned by TC that sets out 58 measures that require focus and mitigation. Some progress has been made on 16 of these measures through a continuous programme of technical reports and meetings that remain on going and NH has amended its proposals, adding further mitigation as part of the process. Some significant issues remain of contention.

Thurrock is the local authority area most affected by LTC and it continues to seek adequate resolution of serious issues that are likely to impact on liveability, health and economic prosperity. To continue its work to resolve significant issues now LTC has been submitted through to DCO Examination, significant resource will need to be maintained. There is broad acceptance of the key challenges faced by Thurrock, but senior discussions with DfT and NH have not yet been able to identify an adequate alternative pathway to the DCO. NH has now submitted its DCO submission for LTC which has been accepted by the Planning Inspectorate (PINS). It will now be necessary to deal with a raft of serious issues (which remain extensive) at Examination. Both local MPs have written to the SoS for Transport to express the seriousness of their concern. The budget and resource requirements of upholding the Council position are significant but decisions have been stalled and are critical to resolve to avoid losing the support of a highly experienced team. Resolving matters prior to any potential scheme approval is critical as the failure to do so is likely to create a raft of legacy issues that will be more complicated, resource intensive and difficult to resolve in future. The increased likelihood of significant risk flagged at the last review has not yet led to the resolution of budget issues raised.

EXISTING ACTION / RESIDUAL RISK

Management Action or Mitigation Already in Place	Date Implemented
1. Full Council agreed the establishment of the Lower Thames Crossing Task Force consisting of Members & representatives from businesses and residents.	July 2017 Nov 2017
2. Responded to the Highways England Environmental Impact Assessment Scoping Report, including calling for a standalone Health Impact Assessment (which Highways England have now agreed to)	January 2018
3. Additional one-off budget of £380,000 agreed by Cabinet	April 2018
4. Appointment of Peter Brett Associates (now Stantec) to provide tailored specialist support to officers	May 2018
5. Appointment of permanent Assistant Director for Lower Thames Crossing	June 2018
6. Agreed 'Schedule of Mitigation' derived from the priorities identified by the Lower Thames Crossing Task Force	Jul 2018
7. Training with Task Force Members on the DCO process	From Jul 2018
8. Review Council's project management programme in line with expected statutory response dates	Summer 2018
9. Council's response to Highways England Statement of Community Consultation v1	Oct - Dec 2018
10. Communications team have worked to raise the profile of the consultation to encourage local residents to have their say	Dec 2019
11. Respond to Highways England Statutory Consultation	From Jan 2019
12. Making preparations for the next stage of the DCO process by preparing the adequacy of consultation response and the local impact report	From Feb 2020
13. Production of an economic impact report (initial and second phase) in order to understand the true cost to Thurrock	Apr 2020
14. Technical workshops between officers and Highways England	Jan 2021
15. Publication of report on economic impact from Hatch to set out the mitigation list requested	Sept 2021
16. Technical workshops between officers and Highways England	

17. Established Senior Forum with HE and TC senior officers /consultants meeting weekly to unlock challenging issues	July 2021			
18. Council's response to Highways England Statement of Community Consultation v2	July-Sept 2021			
19. Continued engagement with Stakeholders including Freeports, Local Plan, PINS, DfT, MHCLG	Apr 2021			
20. LTC Task Force Update report presented to Cabinet Nov	Nov 2021			
21. Collaboration with ASELA and Transport East to coordinate	From Dec 2021			
22. Escalated concerns on LTC scheme inadequacy to DfT	From Dec 2021			
23. Escalated concerns on LTC scheme inadequacy to Treasury	Ongoing			
24. Council's response to National Highways Local Refinements Consultation	June 2022			
Residual Risk Rating	Date: 08/07/2022	Impact: Substantial (3)	Likelihood: Likely (4)	Rating: 12

FURTHER ACTION / FORECAST RISK / REVISED RESIDUAL RISK

Further Management or Mitigating Action	Implementation Date	Progress			
25. Ongoing application of actions 11-24 above as appropriate	From Jul 2022	Ongoing – See Comments table			
25. Raised a complaint about NH withholding business case information with the Information Commissioner who found in favour of the Council	Oct 2022	Completed			
26. Council's Adequacy of Consultation (AoC) response	Nov 2022	Submitted			
27. Preparation of SoC, prior to exam – Spring/Summer 2023	Spring/Summer 2023)	Ongoing			
28. Preparation of LIR	By end Jan 23	Ongoing			
29. Delivery of Comms to simplify and explain key issues locally	During 2023	Ongoing			
30. Political party briefings on key concerns	Jan - Feb 2023				
Forecast Risk Rating	Forecast Date: 31/03/2023	Refresh	Impact: Substantial (3)	Likelihood: Very Likely (4)	Rating: 12
Revised Residual Risk Rating	Date: 03/01/2023		Impact: Substantial (3)	Likelihood: Very Likely (4)	Rating: 12

Opportunities In Focus

UNMANAGED / INHERENT OPPORTUNITY

Opportunity Description							Opportunity Owner		
Promote the borough’s assets and opportunities and secure investment in growth through SELEP, Thames Freeport and other Government funding sources like the UKSPF to maximise the opportunity for local residents and business to contribute to and benefit from the growth programme. This includes maximising opportunities created by the following: <ul style="list-style-type: none"> • impact of strategic interventions, e.g., Freeports • third party funding opportunities, e.g , Arts Council Cultural Development Fund • promotion of Thurrock’s economic assets and opportunities to attract investment e.g., High House Production Park 							Gerard McCleave		
Link to Corporate Priority									
Prosperity – A borough which enables everyone to achieve their aspirations. Attractive opportunities for businesses and investors to enhance the local economy.									
Inherent Opportunity Rating		Date:	01/07/2022	Impact:	Exceptional (4)	Likelihood:	Very Unlikely (1)	Rating:	4

DASHBOARD

Inherent Opp. Rating & Date: 01/07/2022	Residual Opp. Rating as at: 01/07/2022	Residual Opp. Rating as at: 07/10/2022	Residual Opp. Rating as at: 03/01/2023	Residual Opp. Rating as at:	Forecast Opp. Rating & Date: 31/03/2023

Comments
<p>The Council has successfully secured significant amounts of Local Growth Fund, Getting Building Fund and other funds such as a £1.2m allocated under the UK Shared Prosperity Fund (Core) and £1.1m under the UKSPF (Multiply – Skills) to directly deliver projects and programmes that benefit local residents and businesses directly or through investment infrastructure and programmes. The results of the Towns Fund applications submitted in early 2021 have been announced and have secured, in principle, around £40m investment in Thurrock subject to business cases and due diligence. The Government has designated Thames Freeport. A formal decision from Government on Thames Freeport Business Case is expected in January 2023 The Freeport presents an opportunity to support projects through retained business rates to further invest in growth opportunities and support local communities in Thurrock, aligned to wider Thames Freeport objectives – levelling up and skills; innovation and net zero; and trade and investment.</p>

EXISTING ACTION / RESIDUAL OPPORTUNITY

Management Action Already in Place								Date Implemented
1. Monitoring of Community Renewal Fund underway 2. Horizon scanning for investment opportunities underway 3. Towns Fund bids - funding announced, projects being scoped and business cases underway 4. Freeport - full business case submitted 5. UKSPF investment plan developed in line with Government Guidance and submitted to DLUHC for consideration								Ongoing Ongoing July 2021 April 2022 Aug - Dec 2022
Residual Opportunity Rating	Date:	01/07/2022	Impact:	Exceptional (4)	Likelihood:	Very Likely (4)	Rating:	16

FURTHER ACTION / FORECAST OPPORTUNITY / REVISED RESIDUAL OPPORTUNITY

Further Management Action	Implementation Date	Progress						
6. Ongoing application of actions 1 - 5 as appropriate 7. Ideas generation and business case development for projects / programmes support by Thames Freeport 8. Implementation of CRF projects 9. 'Green Economic Growth' action plan being developed	From July 2022	1. Monitoring of Community Renewal Fund (CRF) underway 2. Ongoing 3. Towns Fund bids - funding announced, projects being scoped and business cases underway 4. Thames Freeport – Final business case addendum submitted in Dec 2022. 5. UKSPF investment plan developed in line with Government Guidance and approved by DLUHC in December 2022. 7. Skills plan development underway. 8. Welcome Back fund are both underway 9. Consultants appointed and work commenced in December 2022						
Forecast Opportunity Rating	Forecast Date:	31/03/2023	Impact:	Exceptional (4)	Likelihood:	Very Likely (4)	Rating:	16
Revised Residual Opportunity Rating	Date:	03/01/2023	Impact:	Exceptional (4)	Likelihood:	Very Likely (4)	Rating:	16

UNMANAGED / INHERENT OPPORTUNITY

Opportunity Description								Opportunity Owner	
Delivering Backing Thurrock – Economic Development Strategy and Action Plan to maximise opportunities to deliver the Thurrock Growth Programme by acting as an agent of change and a leader of place shaping, collaborating with partners to reshape our local economy, address the challenges we face and realise the fantastic growth potential we have in the borough.								Gerard McCleave	
Link to Corporate Priority									
Prosperity – A borough which enables everyone to achieve their aspirations. Attractive opportunities for businesses and investors to enhance the local economy									
Inherent Opportunity Rating		Date:	01/07/2022	Impact:	Exceptional (4)	Likelihood:	Very Unlikely (1)	Rating:	4

DASHBOARD

Inherent Opp. Rating & Date: 01/07/2022	Residual Opp. Rating as at: 01/07/2022	Residual Opp. Rating as at: 07/10/2022	Residual Opp. Rating as at: 03/01/2023	Residual Opp. Rating as at:	Forecast Opp. Rating & Date: 31/03/2023																																																																																																
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Comments
<p>Backing Thurrock strategy and action plan adopted by Cabinet March 2021. The Action Plan includes a series of projects and initiatives that together seek to maximise the benefits to the local economy from growth in the borough. The Governance and monitoring arrangements for the strategy are in place. Successes to date include delivery of COVID grants programme (£35m implemented); secured and implemented Welcome Back Fund and Community Renewal Fund projects and programmes; delivered Thurrock Enterprise Week; implementation of LoCASE and CLLD programmes; securing cultural development funding for Thameside Theatre and HHPP; and delivered Thames Freeport bid and business cases to support economic growth and regeneration / levelling up across Thurrock.</p> <p>Available resource is being targeted at the most important priorities and projects in the programme highlighted in the action plan.</p> <p>Good progress continues to be made but capacity issues mean that most important actions are being prioritised. Progress against key actions in line with the programme plan/management action plan for the opportunity. Forecast rating 12 to reflect delivery in year.</p>

EXISTING ACTION / RESIDUAL OPPORTUNITY

Management Action Already in Place								Date Implemented
1. Backing Thurrock Strategy adopted by Cabinet 2. Governance arrangements established: Backing Thurrock Implementation Group and Programme Management regime 3. Implementation underway – Actions being implemented								March 2021 Ongoing Ongoing
Residual Opportunity Rating	Date:	01/07/2022	Impact:	Exceptional (4)	Likelihood:	Likely (3)	Rating:	12

FURTHER ACTION / FORECAST OPPORTUNITY / REVISED RESIDUAL OPPORTUNITY

Further Management Action	Implementation Date	Progress						
4. Embedding governance and implementing monitoring arrangements 5. Delivering against priorities identified in the action plan, including: - Developing Freeport FBC - Development of skills action plan - Developing a new Cultural Strategy for Thurrock, co-design and co-produced to maximise for residents and businesses the opportunities from cultural regeneration. - Development of ongoing sustainability funding - Facilitating delivery of Government funded Community Renewal Fund (CRF)	Ongoing July / Aug 2022 August 2022 Sept 2022 Ongoing	Governance and monitoring arrangements in place OBC submitted and approved. FBC submitted. Final FBC Addendum submitted to government in December 2022. Skills action plan development underway. Anchors framework drafted for wider comments. Dec 2022 UK Shared Prosperity Fund (UKSPF) approved CRF delivery underway.						
Forecast Opportunity Rating	Forecast Date:	31/03/2023	Impact:	Exceptional (4)	Likelihood:	Likely (3)	Rating:	12
Revised Residual Opportunity Rating	Date:	03/01/2023	Impact:	Exceptional (4)	Likelihood:	Likely (3)	Rating:	12

Criteria Guide for Impact and Likelihood

Appendix 3

Criteria Guide for Impact Levels

Risk

Negative Impact	Description
4 Critical	<ul style="list-style-type: none"> • Inability to deliver a number of strategic objectives or a priority. • Major loss of service, including several important service areas • Major reputation damage - adverse central government response, involving threat of / removal of delegated powers or adverse and persistent national media coverage • Loss of Life • Major personal privacy infringement - All personal details compromised / revealed • Huge financial loss/cost - >£1M in a year. Up to 75% of budget. • Major disruption to project / huge impact on ability to achieve project objectives.
3 Substantial	<ul style="list-style-type: none"> • Inability to deliver an organisational priority or strategic objective. • Major disruption to important service or a number of service areas. • Significant reputation damage - adverse publicity in professional/municipal press or adverse local publicity of a major and persistent nature. • Major injury. • Many individual personal details compromised / revealed • Major financial loss/cost - >£500K - <£1M in a year. Up to 50% of budget • Significant disruption to project / significant impact on ability to achieve the project's objectives.
2 Marginal	<ul style="list-style-type: none"> • Significant disruption to important service or major disruption to non crucial service. • Moderate reputation damage - adverse local publicity / local public awareness • Serious injury • Some individual personal details compromised / revealed • High financial loss/cost – >£100K - <£500K in a year. Up to 25% of budget • Moderate disruption to project / moderate impact on ability to achieve the project's objectives.
1 Negligible	<ul style="list-style-type: none"> • Brief disruption to important service or significant disruption to non crucial service. • Minimal reputation damage - no external publicity and contained within Council • Minor injury or discomfort. • Isolated individual personal detail compromised/ revealed • Low or medium financial loss/cost <£100K in a year. Up to 10% of budget • Minor disruption to project / minor impact on ability to achieve the project's objectives.

Opportunity

Positive Impact	Description
4 Exceptional	<ul style="list-style-type: none"> • Exceptional improvement to service(s) (e.g. quality, level, speed, cost, etc) and/or delivery of strategic objectives/priorities • National award or recognition/elevated status by national government • Positive national press/media coverage • Major improvement to the health, welfare & safety of stakeholders • Income/savings of >£500K in a year or exceptional saving of resource (e.g. time and labour)
3 Major	<ul style="list-style-type: none"> • Major improvement to service(s) (e.g. quality, level, speed, cost, etc) and/or delivery of strategic objective/priority. • Regional recognition for initiative, partnership or arrangement. • Positive publicity in professional/municipal press or sustained positive local publicity. • Significant improvement to the health, welfare & safety of stakeholders • Income and/or savings of >£250K - <£500K in a year or major savings of resource (e.g. time and labour).
2 Moderate	<ul style="list-style-type: none"> • Moderate improvement to service(s) (e.g. quality, level, speed, cost, etc) and/or delivery of strategic objective/priority. • Borough or County wide recognition for initiative, partnership or arrangement. • Positive local publicity / local public awareness • Moderate improvement to the health, welfare & safety of stakeholders. • Income and/or savings of >£100K - <£250K in a year or moderate savings of resource (e.g. time and labour).
1 Minor	<ul style="list-style-type: none"> • Minor improvement to service(s) (e.g. quality, level, speed, cost, etc) and/or delivery of strategic objective/priority. • Local level recognition for initiative, partnership or arrangement. • Minor positive local publicity • Minor improvement to the health, welfare & safety of stakeholders. • Income and/or savings of <£100K in a year or minor saving of resource (e.g. time and labour)

Criteria Guide for Likelihood Levels

Risk

Likelihood	Description
4 Very Likely	<ul style="list-style-type: none"> • More than 75% chance of occurrence • Will probably occur at some time or in most circumstances. • Circumstances frequently encountered - daily, weekly, monthly and quarterly.
3 Likely	<ul style="list-style-type: none"> • Between 40% and 75% chance of occurrence. • Fairly likely to occur at some time or in some circumstances. • Circumstances occasionally encountered - occurs once every 1 to 2 years.
2 Unlikely	<ul style="list-style-type: none"> • Between 10% and 40% chance of occurrence. • Fairly unlikely to occur, but could occur at some time. • Occurs once every 2 to 3 years
1 Very Unlikely	<ul style="list-style-type: none"> • Less than 10% chance of occurrence. • May occur only in exceptional circumstances. • Has never or very rarely happened before.

Opportunity

Likelihood	Description
4 Very Likely	<ul style="list-style-type: none"> • More than 75% chance of happening. • A clear opportunity already apparent, which can easily be achieved with a bit of further work or management. • Achievable in under 1 year (12 months)
3 Likely	<ul style="list-style-type: none"> • Between 40% and 75% chance of happening. • An opportunity that has been identified and/or explored and may be achievable but will require some further work or management. • Achievable between 1 to 2 years
2 Unlikely	<ul style="list-style-type: none"> • Between 10% and 40% chance of happening • Opportunity that is fairly unlikely to happen that will need full investigation and require considerable work or management. • Achievable between 2 to 3 years
1 Very Unlikely	<ul style="list-style-type: none"> • Less than 10% chance of happening. • Opportunity that is very unlikely to happen that will need full investigation and require considerable work or management. • Achievable in more than 3 years

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Risk/Opportunity Matrix & Priority Table

		Risk								Opportunity						
<i>Very Likely</i>	4	4	8	12	16	<i>High Priority</i>	16	12	8	4	4	<i>Very Likely</i>				
<i>Likely</i>	3	3	6	9	12		12	9	6	3	3	<i>Likely</i>				
<i>Unlikely</i>	2	2	4	6	8	<i>Medium Priority</i>	8	6	4	2	2	<i>Unlikely</i>				
<i>Very Unlikely</i>	1	1	2	3	4	<i>Low Priority</i>	4	3	2	1	1	<i>Very Unlikely</i>				
		1	2	3	4			4	3	2	1					
		<i>Negligible</i>	<i>Marginal</i>	<i>Substantial</i>	<i>Critical</i>			<i>Exceptional</i>	<i>Major</i>	<i>Moderate</i>	<i>Minor</i>					
												<i>Priority Risk</i>	<i>Rating</i>	<i>Priority Opp.</i>		
												<i>High</i>	12 - 16	<i>High</i>		
												<i>Medium</i>	6 - 9	<i>Medium</i>		
												<i>Low</i>	1 - 4	<i>Low</i>		

23 February 2023	ITEM: 7
Standards & Audit Committee	
Counter Fraud & Investigation Quarterly Update (Q3 Oct-Dec)	
Wards and communities affected: All	Key Decision: N/A
Report of: Michael Dineen, Assistant Director for Investigation, Enforcement & Community Safety	
Accountable Assistant Director: Michael Dineen, Assistant Director for Investigation, Enforcement & Community Safety	
Accountable Director: Acting Director, Julie Nelder, Public Realm	
This report is Public	

Executive Summary

The Counter Fraud & Investigation (CFI) service is responsible for the prevention, detection and deterrence of all instances of alleged economic crime affecting the authority including: allegations of fraud, theft, corruption, bribery and money laundering as well as offences concerning social housing.

This report outlines the performance of the CFI team over the reporting quarter (Q3) for Thurrock Council.

1. Recommendation

1.1 The Standards and Audit Committee comments on the performance of the Counter Fraud & Investigation Department.

2. Introduction & Background

2.1 The council's Counter Fraud team is responsible for delivering the corporate counter fraud programme which includes proactive work to enhance the council's controls as well as respond to intelligence from that proactive work and information from other sources.

3. Performance v Finance (VfM)

3.1 CFI receives reports about suspected fraud from the public, government and law enforcement partners, internal referral mechanisms and proactive

operations. The figures show the performance of the department for Quarter 3 (Q3) of 2022/23.

- 3 reports of suspected fraud have been received
- 7 Investigations have been closed as 'no fraud'
- 4 sanctions have been delivered in cases of proven fraud
- 1 Social housing property has been recovered this quarter
- 107 active investigations are currently being conducted

3.2 The CFI team has seen a reduction in staffing numbers after the separation of NATIS and the CFI functions of Thurrock Council. There are currently two agency workers that make up the CFI team, with a proposed plan to recruit full-time staff being considered, however due to the S.114 notice and the new expenditure control processes, this will be subject to further scrutiny. There is expected to be dips in performance data compared to last year whilst this takes place, however with a clear strategy to integrate other areas of investigation and enforcement, it is envisaged that greater cohesion will take place between departments and the investigation teams moving forward, which will have a positive impact on not only referrals but detections and savings.

3.3 The counter fraud function receives funding from the Housing Revenue Account (HRA) to conduct housing investigations and this includes offences under the Protection of Social Housing Fraud Act, which has made it a criminal offence to sub-let or abandon your social housing property without notifying the local authority in question. When offences like this are identified, individuals are dealt with as per legislation and the priority is the return of social housing through recovery to the authorities housing stock. For every property that is recovered and returned to the housing stock from those that do not need, live in or qualify for them, £23,500 is, on average, saved by other council departments in various costs that have been established and agreed through government engagement. These totals are the sums all local authorities utilise when reporting, any deviation from these figures must be fully accounted for in full as they do not fall under the agreed governmental savings.

3.4 The CFI team has recovered one property in the last quarter; however, this number will increase for Q4 subject to ongoing work by the current CFI staff, the proposed recruitment for FT staff as well as a clear strategy being in place for the current staff. The CFI has recovered 2 social housing properties in the first 3 quarters of 2022/23 totalling a saving of £47,000 for the council as well as completing 7 separate sanctions, with a detected crime value of £192,300.

3.5 When looked at against the expenditure of the team, so far in 2022/23 (end of Q3) the CFI had used £41,578 of the available budget and looked at against the detected fraud, it means that the CFI has detected £4.62 of fraud per £1 spent. The CFI has also saved the council £1.13 for every £1 the CFI has spent. These two areas of work show good Value for Money; however, the

CFI hopes to increase the savings VfM ratio as the targeted strategy takes shape and the year draws to a close.

- 3.6 It is only right that it is also disclosed at this time there may be a 're-charge' amount between NATIS and the CFI due to overlapping timeframes, which will encompass the last quarter of the year, this may well affect the ratio between saving:spend, however this will be fully reported within the end of year report that will be presented in July 2023 as per normal reporting timetables.
- 3.7 NATIS remains a ringfenced organisation that is hosted at Thurrock Council. The function of NATIS is directly linked to Government and the Department for Business, Energy and Industrial Strategy (BEIS). All employees within NATIS are seconded into BEIS and are therefore crown servants. This organisation has no bearing on the CFI teams and vice versa.

4. Work Plan for 2022/23

- 4.1 CFI has a programme of proactive work to ensure the council's controls against fraud are robust and effective. That plan was presented and accepted by the Standards and Audit Committee in July 2022. **Appendix 1** sets out the progress made in delivering the Counter Fraud & Investigation Work Plan 2022/23. This included work that would be carried out by NATIS expertise. A resource review was required and a review of the CFI work plan has taken place. As can be seen, some areas of the proposed work can no longer be completed due to the resourcing review, however in those areas that can be completed, work is ongoing. It has been decided that no new work plan items will be added to replace those that have now been pushed into 2023/24 or are not able to be proceeded with. This is for a number of reasons however, the main contributing factors are the proposed recruitment delays and the limited time left to implement any new work stream, instead the current two CFI officers will concentrate on offences against the housing stock and other corporate risks that are identified to the CFI through referrals.
- 4.2 The work programme is a working document and if during the year changes or additions to the plan are proposed between the CFI team and the Section 151 Officer, these will be brought back to the Committee for approval, however as explained, it is not felt appropriate at this time.
- 4.3 The proactive work by the service continues with a focus on delivering training and knowledge across the council, from employees to members. The team will be engaging with high-risk areas, such as housing and social care, to ensure all that work within these high-risk areas are aware of the signs of fraud or unlawful behaviour. This is a significant part of the pro-active work plan that can continue to be conducted and worked on.
- 4.4 Closer interaction with Housing and Environment is envisaged for the year to come with specific joint working to target those that prosper from their criminal

activity against the council. This will utilise officers with the appropriate powers from the CFI and share the expertise with others in the council.

5. Reasons for Recommendation

- 5.1 This report provides a detailed update to the Committee on the counter-fraud measures for the Council and how it is reducing fraud under the council's counter-fraud strategy. This is also a recognition of the work being conducted by the CFI team.

6. Consultation (including Overview and Scrutiny, if applicable)

- 6.1 Not applicable.

7. Impact on corporate policies, priorities, performance and community impact

- 7.1 Work undertaken by the CFI team to reduce fraud and enhance the Council's anti-fraud and corruption culture contributes to the delivery of all its aims and priorities supporting good corporate governance.

8. Implications

8.1 Financial

Implications verified by: **Laura Last**
Senior Management Accountant, Finance

There are no financial implications arising from this report, other than the impact of possible recruitment. Whilst budgeted, this would mean additional costs being incurred which would be required to go through the S114 cost control procedures. There will not be an extra burden on the budgets as the current agency staff employment would cease with the recruitment of full-time staff. This would be funded through the existing income streams.

8.2 Legal

Implications verified by: **Deirdre Collins**
Barrister, Legal Services

The Accounts and Audit (England) Regulations 2015 section 4 (2) require that: The relevant body shall be responsible for ensuring that the financial management of the body is adequate and effective and that the body has a sound system of internal control which facilitates the effective exercise of that body's functions and which includes the arrangements for the management of risk."

There may be implications from the Section 114 Notice served on the council for services that legal have not been made aware.

8.3 Diversity and Equality

Implications verified by: **Becky Lee**
Team Manager - Community Development and Equalities

There are no direct diversity implications arising from this report.

8.4 Other implications (where significant) – i.e. Staff, Health Inequalities, Sustainability, Crime and Disorder and Impact on Looked After Children

Staffing Implication

Under proposals, the team would continue to have two staff members, but these would change from agency workers to permanent staff. The funding for this employment would come from the current income streams that are in place. This is all subject to the new S114 notice expenditure control processes and review.

9. Background papers used in preparing the report (including their location on the Council's website or identification whether any are exempt or protected by copyright):

Counter Fraud & Investigation Policy & Strategy – thurrock.gov.uk/fraud
Counter Money Laundering Policy & Strategy – thurrock.gov.uk/fraud
CroweClarkWhitehill Annual Fraud Indicator – crowe.co.uk

10. Appendices to the report

- Appendix 1 – Counter Fraud & Investigation Proactive Work Plan 2022/23

Report Author:

Michael Dineen

Assistant Director for Investigation, Enforcement & Community Safety.

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Counter Fraud & Investigation



Proactive Work Plan 2022/23



Counter Fraud & Investigation Annual Strategy 2022/23

Our Fraud Control Strategy

Our Strategy ensures all of our actions are considered and justified.

The Counter Fraud & Investigation team's work ensures that we are able to identify at an earlier stage intelligence relating to the key priorities below, particularly those affecting the most vulnerable of society.

Who are We?

A specialist function to protect public finance from fraud and serious crime, using our legal framework as a local authority service

What is Our Purpose?

- 1 Protect the public purse from crime
- 2 Support the wider-public sector with shared, advanced capabilities

What are Our Priorities?

Crimes affecting a vulnerable adult or child

Insider threats in local government

Organised crime targeting local government

Improving local government's resilience to cyber crime

How do we Succeed?

Always acting Ethically in everything that we do, working to our values, attitudes and principles

Consider opportunities to work collaboratively with others for the benefit of our purpose, sharing our knowledge, experience and expertise

Apply the 4 'P' Strategy to Prevent, Protect and Prepare local government for economic crime, pursuing offenders where necessary

Ensure our teams are fully equipped to respond to the threats faced from economic crime

Proactive Work Plan 2022/23

Risk Area	Activity	When	Current Status	Responsible Officer	Date Complete
Council-wide	<p>Training of high risk areas in counter fraud measures</p> <p>Ensure understanding of the threats posed to those areas. To be tailored to the areas and ongoing support offered via a Single Point of Contact with CFI. This is a yearly activity that CFI will continue to deliver.</p>	July 2022 to June 2023	<p>Ongoing and will be delivered to the high-risk areas. Intention to deliver fraud training to members within next 6 months. Two new employees have started with the fraud team to develop this.</p> <p>The use of ICT and the fraud awareness package that was previously used is to be pushed out across the council to all members of staff.</p> <p>Member training is a priority for the function and it is hoped to be delivered before the June deadline.</p>	Michael Dineen	
Council-wide	<p>Review all relevant policies concerning fraud aspects of the council's business</p> <p>Ensuring that all hold the most up to date legislative information as well as ensuring best practice is always adhered to.</p>	Jan 2023	<p>This was due to be completed by end of January, however a change in role for the responsible officer has meant this is to be pushed to be completed by June 2023. There has already been a review of the Money Laundering policy with others to follow.</p>	Michael Dineen	
Council-wide	<p>A Fraud Health Check on the Social Care Application Process</p> <p>Ensuring the applicants that apply for Social Care assistance are entitled to and worthy of such care assistance, specifically direct payment care.</p>	Apr 2023	<p>This will require staff in post to ensure a comprehensive check is completed. A resource review has deemed this suitable for CFI action, however it is likely this will be pushed to 2023/24 due to recruitment processes.</p>	Michael Dineen	To be moved to 2023/24 work plan.

Risk Area	Activity	When	Current Status	Responsible Officer	Date Complete
Council-wide	<p>Targeting POCA and Civil Legislation to maximise effect on criminal behaviour</p> <p>Ensure that CFI utilise the appropriate legislation to maximise the effects on criminals beyond just criminal convictions and where this takes place ensure that our vision of protecting the public purse is adhered to by promoting this work through all media streams.</p>	June 2023	This will be continued and working with Environment Crime Unit will be first to utilise the relationship. This continues and the CFI will work with current AFIs to ensure best value for money in relation to the sharing of resources. There is an overall strategy to target criminals not only by criminal convictions, but to also strip them of their wealth that has been gained by criminal activity, this is in line with all law enforcement agencies across the UK.	Michael Dineen	

As well as the proactive work, the CFI will continue to work on all the reactive investigations that continue every day from the referrals it receives. This is predominately the work that is required to be completed to ensure a successful CFI.

23 February 2023	ITEM: 8
Standards & Audit Committee	
Internal Audit Progress Report 2022/23	
Wards and communities affected: All	Key Decision: Non-key
Report of: Gary Clifford – Chief Internal Auditor	
Accountable Assistant Director: n/a	
Accountable Director: John Jones – Interim Director of Legal and Governance and Monitoring Officer	
This report is public	

Executive Summary

The Internal Audit Plan 2022/23 was discussed by the Standards & Audit Committee at their meeting of 10th March 2022. This progress report covers final reports issued since the last progress report to the Standards & Audit Committee, draft reports issued and work in progress. In addition, it covers an update on the resourcing issues which have impacted upon service delivery.

1. Recommendation(s)

1.1 That the Standards & Audit Committee:

Consider the work being carried out by Internal Audit in relation to the 2022/23 audit plan and the update on the resourcing issues facing the service.

2. Introduction and Background

2.1 The Accounts and Audit Regulations 2015 require that a relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes taking into account public sector internal auditing standards or guidance.

2.2 The Internal Audit Service carries out the work to satisfy this legislative requirement and part of this is reporting the outcome of its work to the Standards & Audit Committee.

2.3 The Standards & Audit Committee has a responsibility for reviewing the Council's corporate governance arrangements, including internal control and

formally approving the Annual Governance Statement. The audit work carried out by the Internal Audit Service is a key source of assurance to the Standards & Audit Committee about the operation of the internal control environment.

- 2.4 The audits contained in the Internal Audit Plan 2022/23 are based on an assessment of risk for each system or operational area. The assessment of risk includes elements such as the level of corporate importance, materiality, service delivery/importance and sensitivity.

3. Issues, Options and Analysis of Options

- 3.1 The reports issued by Internal Audit provide 4 levels of assurance opinion. The 4 opinions use a Red/Amber/Green (RAG) assurance level and reports are now categorised as:

- Green; Amber/Green (positive assurance opinions);
- Amber/Red (negative assurance opinion that provides some assurance but a number of weaknesses were identified); and
- Red (negative assurance opinion).

- 3.2 The purpose of this progress report is not only to highlight reports issued as final but to provide members with an update on work which has reached the draft report stage and work currently in progress. The status of work currently being undertaken is shown at Appendix 1.

- 3.3 This report also provides an update on the current resourcing issues facing the service which have impacted on the delivery of the plan. These are covered within Appendix 1 under the section "Work and other issues for which no reports are generated". In summary, an offer was made and accepted on 23rd January 2023, to one of the two vacant Senior Internal Auditor posts. One of the new Internal Auditors is now undertaking the work to confirm the Supporting Families Programme payment by results claims.

- 3.4 No reports have been finalised during this reporting period, although 2 reports are at draft stage.

- 3.5 As a result of the issuing of the Section 114 notice in December, the Chief Internal Auditor has been tasked with being a member of the Expenditure Control Panel which looks at all spend between £500 and £25,000. This Panel meets three times per week.

4. Reasons for Recommendation

- 4.1 To assist the Standards & Audit Committee in satisfying itself that progress against the Internal Audit Plan is sufficient as one of the means of assuring itself of the effective operation of internal controls.

5. Consultation (including Overview and Scrutiny, if applicable)

- 5.1 The audit risk assessment and the plan are periodically discussed with the Chief Executive, Corporate Directors, Directors and Assistant Directors before being reported to Directors Board and the Standards & Audit Committee.
- 5.2 All terms of reference and draft reports are discussed and agreed with the relevant Corporate Directors, Directors, Assistant Directors and/or management before being finalised.
- 5.3 The Internal Audit Service also periodically consults with the council's External Auditors to ensure that respective audit plans provide full coverage whilst avoiding duplication.

6. Impact on corporate policies, priorities, performance and community impact

- 6.1 The council's corporate priorities were used to inform the annual audit plan 2022/23. Recommendations made are designed to further the implementation of these corporate priorities.

7. Implications

7.1 Financial

Implications verified by: **David May**
Strategic Lead Corporate Finance

There are financial implications to this report arising from the vacant posts which will result in an underspend against the budget. The costs associated with the implementation of audit recommendations will be considered and, where possible, met from existing budgets within the services.

7.2 Legal

Implications verified by: **Gina Clarke**
Corporate Governance Lawyer and Deputy Monitoring Officer

The contents of this report and appendix form part of the council's responsibility to comply with the Local Audit and Accountability Act 2014 and the Accounts and Audit Regulations 2015. The council must ensure that it has a sound system of internal control which facilitates the effective exercise of its functions and achievement of its aims and objectives; ensures that the financial and operational management of the council is effective; and includes effective arrangements for the management of risk.

At least annually the council must undertake an effective internal audit to, amongst other things, evaluate the effectiveness of its risk management

control and governance processes, taking into account public sector internal auditing standards or guidance. The council has delegated responsibility for ensuring this is taking place to the Standards & Audit Committee. There are no legal implications directly arising from this report.

7.3 **Diversity and Equality**

Implications verified by: **Roxanne Scanlon**
**Community Engagement and Project
Monitoring Officer**

There are no direct diversity or equality implications arising from this report.

7.4 **Other implications** (where significant) – i.e. Staff, Health Inequality, Sustainability, Crime and Disorder and Impact on Looked After Children

In terms of risk and opportunity management, the Internal Audit Plan and its outcomes are a key part of the council's risk management and assurance frameworks. The Internal Audit Plan is based on risk assessments that include a review of the council's risk and opportunity register.

8. **Background papers used in preparing the report:**

- Strategy for Internal Audit 2020/21 to 2022/23 and Internal Audit Plan 2022/23
- Internal Audit Reports issued in 2022/23.

9. **Appendices to the report**

- Appendix 1 – Internal Audit Progress Report.

Report Author:

Gary Clifford
Chief Internal Auditor
Thurrock Council Internal Audit Service, Legal and Governance

Thurrock Council

Standards & Audit Committee

Internal Audit Progress Report 2022/23

Date of Committee: 23rd February 2023

Introduction

The internal audit plan for 2022/23 was presented to the Standards & Audit Committee on 10th March 2022.

Table showing reports issued as Final, in Draft and Work in Progress (WIP)

Assignment	Status	Opinion	Actions Agreed (by priority)		
			High	Medium	Low
Audits to address specific risks					
Housing Voids	Final	Green	0	2	1
Taxi Licencing	Draft	N/A	N/A	N/A	N/A
Register of Gifts, Interests and Hospitality	Draft	N/A	N/A	N/A	N/A
Council Tax	WIP	N/A	N/A	N/A	N/A
Temporary Accommodation	WIP	N/A	N/A	N/A	N/A

Work and other issues for which no reports are generated

Following on from the resourcing issues reported to the Standards and Audit Committee at the meeting held on 24th November 2022, we are pleased to report that 1 successful candidate has been interviewed and accepted one of the two Senior Internal Auditor positions on 23rd January 2023. This candidate must give 3 months' notice so should be able to start towards the end of April. The recruitment team continue to try and fill the other vacant post.

In addition, as members of the APEX framework agreement with Croydon Council, we have now contacted our new client liaison Director for this contract with a view to using Mazars to provide resources in the short-term, until we can recruit into the vacant post.

One of the new Internal Auditors has been provided with training and support and is now undertaking the work on the Supporting Families Programme (previously Troubled Families Programme) to verify payment by results claims prior to their submission to the Department for Levelling Up, Housing and Communities.

Following the issuing of the Section 114 notice in December 2022, the council have had to form a number of panels to look at, and challenge where appropriate, all expenditure, including one-time payments, requisitions, travel and subsistence, credit card payments etc. This is being carried out through Directorate Panels, an Expenditure Control Panel and a Strategic Panel. The Directorate Panels are tasked at challenging all spend within their own directorates. If the spend is in excess of £500 but under £25,000, it then needs to go to the Expenditure Control Panel. If it exceeds £25,000 then it goes to the Strategic Panel. The Chief Internal Auditor is a member of the Expenditure Control Panel which meets every Monday, Wednesday and Friday.

Changes to the Annual Plan

There are no changes to the current plan.

23 February 2023	ITEM: 9
Standards & Audit Committee	
Internal Audit Charter 2023	
Wards and communities affected: All	Key Decision: Non-key
Report of: Gary Clifford – Chief Internal Auditor	
Accountable Assistant Director: n/a	
Accountable Director: John Jones – Interim Director of Legal and Governance and Monitoring Officer	
This report is public	

Executive Summary

The Internal Audit Charter is a formal document that defines the Internal Audit Services' purpose, authority and responsibility. The Internal Audit Charter establishes the internal audit's position within the Council, including the nature of the Head of Internal Audit's functional reporting relationship with the Standards & Audit Committee; authorises access to records, personnel and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities. Final approval of the Internal Audit Charter lays with the Standards & Audit Committee.

Whilst the Charter is normally presented and signed off on a bi-annual basis, there are changes to the reporting arrangements which require the Charter to be updated.

1. Recommendation(s)

1.1 That the Standards & Audit Committee approve the internal Audit Charter 2023 (Appendix 1) and the Chair of the Standards & Audit Committee signs the Charter on behalf of the Committee.

2. Introduction and Background

2.1 The foundation of an effective internal audit service is compliance with standards and proper practices.

2.2 A professional, independent and objective internal audit service is one of the key elements of good governance, as recognised throughout the UK public sector.

2.3 An effective internal audit service should:

- Understand the whole organisation, its needs and objectives;
- Understand its position with respect to the organisation's other sources of assurance and plan its work accordingly;
- Be seen as a catalyst for improvement at the heart of the organisation;
- Add value and assist the organisation in achieving its objectives; and
- Be forward looking – knowing where the organisation wishes to be and aware of the national agenda and its impact.

2.4 This Charter establishes the purpose, authority and responsibilities for the internal audit service for Thurrock Council.

3. Issues, Options and Analysis of Options

3.1 The Charter has been prepared in order to help to support the provision of an effective internal audit service and to meet the requirements of the Public Sector Internal Auditing Standards.

4. Reasons for Recommendation

4.1 To provide the Council with assurance that the internal audit service is working towards compliance with the requirements of the Public Sector Internal Auditing Standards.

5. Consultation (including Overview and Scrutiny, if applicable)

5.1 The Internal Audit Charter has been agreed with the Interim Director of Finance (Section 151 Officer) as the responsible officer.

6. Impact on corporate policies, priorities, performance and community impact

6.1 There is no direct impact on the policies, priorities, performance or on the Community although an effective internal audit service may impact indirectly on all areas of the Council's business.

7. Implications

7.1 Financial

Implications verified by: **David May**
Strategic Lead Corporate Finance

There are no direct financial implications arising from this report.

7.2 Legal

Implications verified by: **Gina Clarke**
**Corporate Governance Lawyer and Deputy
Monitoring Officer**

The contents of this report and appendix form part of the council's responsibility to comply with the Local Audit and Accountability Act 2014 and the Accounts and Audit Regulations 2015, including to at least annually undertake an effective internal audit to, amongst other things, evaluate the effectiveness of its risk management, control and governance processes taking into account public sector internal auditing standards and associated guidance. The council has delegated responsibility for ensuring this is taking place to the Standards & Audit Committee. There are no legal implications directly arising from this report.

7.3 Diversity and Equality

Implications verified by: **Roxanne Scanlon**
**Community Engagement and Project
Monitoring Officer**

There are no direct diversity implications arising from this report.

7.4 Other implications (where significant) – i.e. Staff, Health Inequalities, Sustainability, Crime and Disorder and Impact on Looked After Children

There are no significant other implications arising from this report.

8. Background papers used in preparing the report (including their location on the Council's website or identification whether any are exempt or protected by copyright):

- Public Sector Internal Audit Standards (PSIAS).
- CIPFA – PSIAS Local Government Application Note (February 2019)
- Internal Audit Charter 2021

9. Appendices to the report

- Appendix 1 – Internal Audit Charter 2023.

Report Author:

Gary Clifford

Chief Internal Auditor

Thurrock Council Internal Audit Service, Legal and Governance

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Thurrock Council

Internal Audit Charter 2023

February 2023

To be presented to Standards and Audit Committee on the
23rd February 2023

Contents

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Consultation

This Audit Charter will be circulated to the members of Directors Board, the Standards & Audit Committee and Section 151 Officer as part of the consultation process.

Distribution

Copies of this Audit Charter will be provided to all members of the Standards & Audit Committee, Section 151 Officer and all staff by being made available on the council's internet site.

Who to contact to find out more:

Gary Clifford, Chief Internal Auditor

Email: gclifford@thurrock.gov.uk

Telephone: (01375) 652702

Version – 4 - Next review date February 2025 or as required by changes to working practices or legislation.

1 INTRODUCTION

- 1.1 Internal Auditing is an independent and objective assurance and consulting activity that is guided by a philosophy of adding value to improve the operations of the Thurrock Council. It assists the council in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the organisation's governance, risk management, internal control.
- 1.2 This Charter establishes the purpose, authority and responsibilities for the internal audit service for Thurrock Council.
- 1.3 The internal audit service is provided by Thurrock Council's Internal Audit team. Your key internal audit contact is:

Chief Internal Auditor	
Name	Gary Clifford
Email address	gclifford@thurrock.gov.uk

- 1.4 This Charter has been prepared in order to support the council in ensuring it has in place an effective Internal Audit service that meets the requirements of the Public Sector Internal Auditing Standards (PSIAS) which came into effect from 1st April 2013 and were updated in February 2019.
- 1.5 This Charter will be reviewed, updated as required and reported to the Standards & Audit Committee for consideration on a bi-annual basis.
- 1.6 For the purposes of this Charter, the Chief Internal Auditor fulfils the role of the council's Head of Internal Audit (HoIA) and is referred to as such throughout the document.
- 1.7 Within Thurrock Council, the HoIA does not have any responsibility for other operational areas within the council.

2 DEFINITION AND PURPOSE OF INTERNAL AUDIT

- 2.1 Internal Audit is defined in the Public Sector Internal Audit Standards as:

“An independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by introducing a systematic, disciplined approach in order to evaluate and improve the effectiveness of risk management, control, and governance processes.”

- 2.2 Internal Audit is a key part of the assurance cycle for the council and provides senior management with assurance on whether the organisation’s risk management, control and governance processes are adequate and operating effectively.

- 2.3 To clarify and align this Charter with the PSIAS, senior management are defined as Directors' Board, the Leadership Group and members of the Standards & Audit Committee.

3 PROFESSIONALISM

- 3.1 The internal audit activity will govern itself by adherence to The Institute of Internal Auditors' mandatory guidance including the Definition of Internal Auditing, the Code of Ethics, and the *International Standards for the Professional Practice of Internal Auditing (Standards)*. This mandatory guidance constitutes principles of the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of the internal audit activity's performance.
- 3.2 The Institute of Internal Auditors' Practice Advisories, Practice Guides, and Position Papers will also be adhered to as applicable to guide operations. In addition, the internal audit activity will adhere to the council's relevant policies and procedures and the internal audit activity's standard operating procedures manual.

4 AUTHORITY

- 4.1 In accordance with Chapter 9, Part 3, Section 1, Paragraph 1.9 of the Council Constitution covering the Finance Procedure Rules, to enable the HoIA and internal audit staff to fulfil their responsibilities, they have the right to automatic and full access to all records (however held) relating to any transaction carried out or on behalf of the council and to any of the council's premises or land. They may seek and obtain any explanations they need to conduct their work or require any employee to produce council assets under their control, wherever located.
- 4.2 The HoIA and internal audit staff are not authorised to perform any operational duties associated with the organisation which may conflict with their independence.

5 ORGANISATION

- 5.1 The HoIA will report functionally to the Standards & Audit Committee and administratively (i.e. day to day operations) to the Interim Director of Legal and Governance (Monitoring Officer).
- 5.2 The Standards & Audit Committee will:
- Approve the internal audit charter.
 - Approve the risk based internal audit plan.
 - Receive communications from the HoIA on the internal audit activity's performance relative to its plan and other matters.
 - Make appropriate inquiries of management and the HoIA to determine whether there is inappropriate scope or resource limitations.

6 INDEPENDENCE AND OBJECTIVITY

- 6.1 The internal audit activity will remain free from interference by any element in the organisation, including matters of audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of a necessary independent and objective mental attitude.
- 6.2 Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, they will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair their judgment.
- 6.3 Internal auditors will exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal auditors will make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgments.
- 6.4 The HoIA will confirm to the Standards & Audit Committee, at least annually through the HoIA's Annual Report, the organisational independence of the internal audit activity.
- 6.5 To enhance the independence of Internal Audit, its personnel report direct to the HoIA. The HoIA has the right of independent access to the Chief Executive, as well as reporting lines and direct access to the Monitoring Officer, the Section 151 Officer and the Chair and members of the Standards & Audit Committee.
- 6.6 The HoIA periodically has one to one meetings with the Chair of the Standards & Audit Committee, to whom all significant concerns relating to the adequacy and effectiveness of risk management activities, internal control and governance are reported.
- 6.7 The HoIA and team of auditors are required to sign a declaration of interest form on an annual basis. Copies of the signed declarations will be retained by the HoIA.

7 RESPONSIBILITIES

- 7.1 One of the main responsibilities of Internal Audit is to support the Section 151 Officer in the discharge of their duties by providing an effective internal audit of the council's systems of internal control, risk management and corporate governance in accordance with the Accounts & Audit Regulations 2015. Internal Audit do this by providing a high quality, independent service to the council which evaluates and reports, through the Chief Internal Auditor's Annual Report, on the effectiveness of the risk management, internal control and governance processes. This is usually presented to the Standards & Audit Committee at their first meeting of the municipal year and is used to inform the Annual Governance Statement.

7.2 The scope of internal auditing encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the organisation's governance, risk management, and internal controls as well as the quality of performance in carrying out assigned responsibilities to achieve the organisation's stated goals and objectives. This includes:

- Evaluating risk exposure relating to achievement of the organisation's strategic objectives.
- Evaluating the reliability and integrity of information and the means used to identify, measure, classify, and report such information.
- Evaluating the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations which could have a significant impact on the organisation.
- Evaluating the means of safeguarding assets and, as appropriate, verifying the existence of such assets.
- Evaluating the effectiveness and efficiency with which resources are employed.
- Evaluating operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned.
- Monitoring and evaluating governance processes.
- Monitoring and evaluating the effectiveness of the organisation's risk management processes.
- Performing consulting and advisory services related to governance, risk management and control as appropriate for the organisation. Where consulting or advisory activities are undertaken, the HoIA will not issue an assurance report. An advisory report will be issued.
- Reporting periodically on the internal audit activity's purpose, authority, responsibility, and performance relative to its plan.
- Reporting significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by the Standards & Audit Committee.
- Evaluating specific operations at the request of the Standards & Audit Committee or management, as appropriate.

7.3 The HoIA also has a responsibility to:

- Develop a flexible, risk based internal audit strategy and detailed audit plan. The plan will usually be submitted to the Standards & Audit Committee for review and approval each year at its March meeting, prior to work commencing to deliver the plan.
- Include any additional tasks requested by management and the Standards & Audit Committee following consultation with the Monitoring Officer and/or Section 151 Officer.
- Ensure the internal audit team consists of professional and suitably skilled audit staff with sufficient knowledge and experience. Where staff do not have the relevant technical expertise, the HoIA will place reliance on the work of suitably skilled external advisors to provide this assurance.

- Establish a Quality Assurance and Improvement Program to ensure the quality and effective operation of internal audit activities and compliance with the PSIAS.
- As part of the audit planning cycle, evaluate and assess significant merging or consolidating functions and new or changing services, processes or operations within the organisation.
- Highlight risks and weaknesses in control and make recommendations for improvements to management based on an acceptable and practicable timeframe.
- Carry out follow up reviews to ensure management has implemented agreed internal control improvements within specified and agreed timeframes.
- Liaise with the external auditor to provide maximum audit coverage to the organisation whilst minimising duplication of work.

8 REPORTING

- 8.1 A written report will be prepared and issued by the HoIA or designee following the conclusion of each internal audit engagement and will be distributed as appropriate. Internal audit results will also be communicated to the Standards & Audit Committee.
- 8.2 The HoIA shall issue progress reports to the Standards & Audit Committee and management summarising outcomes of audit activities, including follow up reviews. These will be presented in line with the agreed work programme of the Standards & Audit Committee.
- 8.2 The HoIA is required to provide the Section 151 Officer with an opinion on the adequacy and effectiveness of the organisation's governance, risk management and control arrangements. In giving this opinion, it should be noted that assurance can never be absolute. The most that the internal audit service can provide to the Council is a reasonable assurance that there are no major weaknesses in the risk management, governance and control processes. This assurance is provided through the HoIA's Annual Report which is presented to the Standards & Audit Committee following the financial year end.

9 DATA PROTECTION

- 9.1 Internal audit files need to include sufficient, reliable, relevant and useful evidence in order to support our findings and conclusions.
- 9.2 Personal data is not shared outside of Thurrock Council. The only exception would be where there is information on an internal audit file that external auditors have access to as part of their review of internal audit work or where there is a legal or ethical obligation to do so (such as providing information to support a fraud investigation based on internal audit findings).
- 9.3 Thurrock Council has a Data Protection Policy in place that requires compliance by all of their employees. Non-compliance may result in disciplinary action.

10 FRAUD

10.1 The Standards & Audit Committee recognises that management is responsible for controls to reasonably prevent and detect fraud. Furthermore, the Standards & Audit Committee recognises that internal audit is not responsible for identifying fraud. However, it will assess the risk of fraud and be aware of the risk of fraud when planning and undertaking any internal audit work. Any instances of potential fraud or corruption identified during the course of an internal audit review will be immediately communicated in the first instance to the HoIA who will determine the short-term action to be taken. It will then be discussed with the Corporate Director of Resources and Place Delivery and the Assistant Director of Fraud & Investigation to determine any further action required.

Signature _____
Councillor Elizabeth Rigby
Chair of the Standards & Audit Committee

Date: 23rd Feb 2023

Signature _____
Gary Clifford
Chief Internal Auditor

Date: 23rd Feb 2023

Signature _____
Jonathan Wilson
Assistant Director of Finance and Acting Section 151 Officer

Date: 23rd Feb 2023

23 February 2023		ITEM: 10
Standards & Audit Committee		
Internal Audit Protocol 2023		
Wards and communities affected: All	Key Decision: Non-key	
Report of: Gary Clifford – Chief Internal Auditor		
Accountable Assistant Director: n/a		
Accountable Director: John Jones – Interim Director of Legal and Governance and Monitoring Officer		
This report is public		

Executive Summary

This report provides the Standards & Audit Committee with information on the Internal Audit Protocol which gives some general guidance on responsibilities of Members, Officers and the Internal Audit team. It also provides detailed guidance on specific issues around the internal audit processes, such as turnaround times for reports and the timeliness of management responses.

1. Recommendation(s)

1.1 That the Standards & Audit Committee:

Agree that the Internal Audit Protocol provides the council and the Internal Audit Service with a process for improving the timeliness of reporting arrangements and sets out a formal escalation process for non-compliance.

2. Introduction and Background

- 2.1 The Accounts and Audit Regulations 2015 require that a relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, and taking into account public sector internal auditing standards or guidance.
- 2.2 The Internal Audit Service carries out the work to satisfy this legislative requirement and part of this is reporting the outcome of its work to the Standards & Audit Committee.

2.3 The Standards & Audit Committee has a responsibility for reviewing the Council's corporate governance arrangements, including internal control and formally approving the Annual Governance Statement. The audit work carried out by the Internal Audit Service is a key source of assurance to the Standards & Audit Committee about the operation of the internal control environment.

2.4 The Internal Audit Protocol will help to provide the Standards & Audit Committee with a level of assurance around the internal audit reporting process.

3. Issues, Options and Analysis of Options

3.1 The Protocol will enhance the reporting process and assist in providing a more effective Internal Audit Service which will meet the requirements of the Public Sector Internal Auditing Standards.

4. Reasons for Recommendation

4.1 To provide the Standards & Audit Committee with assurance that the Internal Audit Service and council staff are aware of their roles and responsibilities around the timely reporting of, and response to, internal audit recommendations.

5. Consultation (including Overview and Scrutiny, if applicable)

5.1 The Internal Audit Protocol will be circulated to Directors' Board as part of the consultation process.

6. Impact on corporate policies, priorities, performance and community impact

6.1 The achievement of corporate priorities is a key consideration of members, senior management and internal audit and the Protocol should assist this by providing a more robust and timely reporting process.

7. Implications

7.1 Financial

Implications verified by: **David May**
Strategic Lead Corporate Finance

As this report is for information, there are no direct financial implications arising from this report.

7.2 Legal

Implications verified by: **Gina Clarke**
Corporate Governance Lawyer and Deputy Monitoring Officer

As this report is for information, there are no adverse legal implications arising from this report.

7.3 Diversity and Equality

Implications verified by: **Rebecca Lee**
Team Manager Community Development

There are no direct diversity implications arising from this report as it is for information purposes only.

7.4 Other implications (where significant) – i.e. Staff, Health Inequalities, Sustainability, Crime and Disorder and Impact on Looked After Children

As this report is for information, there are no other implications arising from this report

8. Background papers used in preparing the report (including their location on the Council's website or identification whether any are exempt or protected by copyright):

- Public Sector Internal Audit Standards (PSIAS)
- CIPFA – PSIAS Local Government Application Note
- Internal Audit Protocol 2015

9. Appendices to the report

- Appendix 1 – Internal Audit Protocol 2023.

Report Author:

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Thurrock Council Internal Audit Service, Legal and Governance

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Thurrock Council

Internal Audit Protocol 2023

February 2023

To be presented to Standards and Audit Committee on the
23rd February 2023

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Distribution

Copies of this Protocol will be provided to all members of the Standards & Audit Committee, Chief Executive and Directors Board and all staff by being made available on the Council's intranet site.

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Version – 4 - Next review date February 2025 or as required by changes to working practices or legislation.

Introduction

Thurrock Council's Commitment to Good Governance

Thurrock Council is responsible for significant expenditure of public money and places great importance on maintaining the highest standards of probity, financial management and accountability.

External and Internal Audit assist in providing the Council with independent assurance that assets and resources are properly applied and used wisely.

This Protocol explains how our audit arrangements operate and sets out the responsibilities of Members and senior management for ensuring that the audit requirements of the Council are met and recommendations made are fully implemented.

For the purposes of this Protocol, the Chief Internal Auditor fulfils the role of the Council's Head of Internal Audit (HoIA) and is referred to as such throughout the document.

Responsibilities Explained

Cabinet Members

Cabinet must ensure the Council's audit arrangements are effectively applied. Cabinet do this through:

- The Cabinet Portfolio Member with responsibility for Central Services.
- The Council's Standards & Audit Committee.
- Approving the Council's Action Plan arising from the External Auditor's Annual Audit Letter, after this has been reviewed by the Standards & Audit Committee.

Senior Management

Directors, Assistant Directors, Strategic Leads and individual managers are responsible for exercising proper internal control over their areas of responsibility.

Copies of External and Internal Audit reports referring to departmental issues will be sent to and monitored by individual Directors and Senior Managers.

Those reports referring to corporate issues, or which could have a negative impact on the reputation of the Council will be reported to Directors Board for initial consideration before being referred to whichever working group or individual the Board deems to be most appropriate.

Where a Red assurance report is issued, the relevant Director or senior manager will be responsible for writing a covering report and presenting the report to the next meeting of the Standards & Audit Committee. Directors will also be responsible for discussing the contents of these reports and the actions they are taking to address the issues raised, at the regular meetings they hold with their relevant portfolio holder.

Where an Amber/Red assurance report is issued, the attendance of a relevant Director/senior manager will be determined following the pre-meeting with the Chair of the Standards & Audit Committee, which is held prior to the committee meeting.

Standards & Audit Committee

The purpose of the Standards & Audit Committee is to provide independent monitoring of the adequacy of the risk management framework, as well as independent scrutiny of the authority's financial and non-financial performance. The Committee also oversees the financial reporting process. This assists the Committee in focussing External and Internal Audit resources to ensure that the Council's main risks are independently reviewed. The Committee will do this by:

- Reviewing the External and Internal Audit annual plans prior to these being formally approved.
- Ensuring the Internal Audit function is properly resourced.
- Confirming effective co-ordination between the External Audit provider and Internal Audit.
- Confirming that the Audit Protocol is being properly applied.
- Ensuring that the Council's risk management strategy is fully operational and reviewing the Risk Register on a periodic basis.

The Standards & Audit Committee will also keep under review the operation of the Council's financial and information systems. It will do this by:

- Receiving and considering the External Auditor's Annual Audit Letter which will incorporate the Council's responses and recommend the management action plan to Cabinet for formal approval.
- Monitoring implementation of management action plans.
- Receiving and considering Internal Audit's annual assurance report which comments on the adequacy and effectiveness of internal control systems within the Council.
- Considering Red and Amber/Red assurance reports issued by Internal Audit to relevant Directors, together with management responses and monitor the implementation of agreed recommendations.
- Promoting an anti-fraud culture.

The Council takes audit matters very seriously. If the Standards & Audit Committee has specific concerns that important issues raised by External or Internal Audit are not being addressed, including the implementation of agreed recommendations, the Standards & Audit Committee will refer this formally to the Chief Executive, Monitoring Officer, Section 151 Officer or appropriate Director/senior manager for an explanation.

External Audit

The Council's External Auditor is required by the Code of Audit Practice to make an independent assessment about:

- The Council's Statement of Accounts.
- Corporate Governance.
- Performance Management Arrangements.

External Audit provides:

- A statement that the audit of the accounts has been completed in accordance with statutory requirements.
- A conclusion on the Council's arrangements for securing economy, efficiency and effectiveness in the use of resources.
- Where appropriate, a report dealing with matters that the auditor considers to be in the public interest.
- Progress reports on matters arising from specific aspects of the Auditors' work.
- An Annual Audit Letter, addressed to the Members of the Council, which summarises the most important matters arising from the audit work completed over the year. This will be considered by Cabinet, who will approve the Council's formal response and monitor progress against key recommendations, through the reporting process. The Letter and its response will also be reported to the Standards & Audit Committee to ensure the Committee is satisfied that the response is sufficient.

The annual Internal Audit Plan is discussed in detail with External Audit. External Audit also receives copies of audit reviews of the key financial systems.

Internal Audit

Under the Accounts and Audit Regulations 2015, the Council is required to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes taking into account public sector internal auditing standards or guidance.

Internal Audit provides an independent appraisal function which reviews the internal control arrangements of the Council, helps to ensure resources are used wisely and value for money is secured.

Internal Audit provides:

- A progress report detailing the audits that have been completed, the level of assurance provided and a summary of the key findings and recommendations.
- The HoIA's Annual Report on the adequacy of financial and non-financial controls.
- A mechanism for following up on recommendations to determine the status of their implementation.

The work of Internal Audit is targeted through an internal audit strategy and a detailed plan.

Internal Audit consults with Directors and other relevant senior managers on the annual plan and review progress with the Section 151 Officer on a regular basis. Internal Audit may also attend Directorate Management Team (DMT) meetings to provide updates. The draft Internal Audit plan is reviewed and agreed by Directors Board before being submitted to the Standards & Audit Committee each year.

Assignment Planning Stage

For each audit review, an audit brief will be prepared, discussed, agreed and signed off (manually or electronically) by the relevant Director/senior manager and the HoIA and copied into the service manager responsible for the area being reviewed. This will set out the terms of reference of the review, the scope of the work being undertaken and any limitations to the scope. This provides the auditor with the authority to liaise directly with the manager to undertake the fieldwork stage of the review process.

Debrief Meeting

On completion of the fieldwork, the auditor will arrange a debrief meeting and prepare a first draft report and/or debrief document detailing their findings and recommendations, which will be reviewed by the HoIA. Dependent on the assurance level provided as a result of this initial assessment, the following attendees will be invited to the debrief meeting:

- Green assurance opinion – relevant service manager(s) and auditor
- Amber/Green assurance opinion – relevant service manager(s) and auditor
- Amber/Red assurance opinion – relevant senior manager, service manager(s), HoIA and auditor.
- Red assurance opinion – relevant Director, senior manager, service manager(s), HoIA and auditor.

During the debrief meeting, Internal Audit will discuss their findings with management and obtain responses to the actions required to address any recommendations, agree implementation dates and allocate responsibility to relevant officers. These will be recorded on the action plan within the draft plan or debrief document, which is then signed off by the relevant officer. Debrief meetings will be arranged within 10 days of completion of the fieldwork for Green, Amber/Green and Amber/Red reports and 15 days for Red reports.

Draft Reports

Draft reports will be issued on major assignments and all audit recommendations will be discussed and agreed before the issue of the final report. An action plan will be included for each audit report, incorporating agreed implementation dates and responsible officers against each of the recommendations made.

- Green and Amber/Green Assurance Opinions

In respect of Green and Amber/Green assurance reports, the final draft report will be issued to the relevant senior manager and/or manager(s) within 10 working days of the debrief meeting taking place so they can check the report is factually accurate and that the action plan reflects the actions and timeframes agreed during the debrief process.

- Amber/Red Assurance Opinions

For Amber/Red assurance reports, the final draft will generally be issued within 10 working days of the debrief meeting taking place. However, dependant on the

potential impact of the recommendations made, a second draft may be required and presented to Directors' Board.

- Red Reports

As soon as Internal Audit identifies circumstances likely to lead to the issue of a Red assurance audit opinion, they will raise their concerns with the relevant Director, senior manager and the Section 151 Officer. A debrief meeting will then be arranged with the relevant Director, senior manager and manager within 10 days and a second draft report will be issued within 5 days of this debrief meeting.

Once agreed, a copy of the second draft will be presented and discussed at Directors' Board.

For Red reports, this timeframe may be extended at the request of the Directors' Board.

Final Reports

- Green, Amber/Green and Amber/Red Assurance Opinions

For Green, Amber/Green and Amber/Red reports, a final report will be issued within 5 days of getting the responses back. These reports will be presented to the Standards & Audit Committee as part of a standard progress report in line with the Committee's agreed work programme. For Green and Amber/Green reports, this will be a summary of the main findings. For Amber/Red reports, the management summary and action plan (including management responses) will be provided in detail and an update on progress to date will be sought from a relevant Director or senior manager and will be included within the internal audit progress report for the next Standards & Audit Committee.

- Red Reports

After the draft Red report has been discussed at Directors Board, the final report will be issued within 5 working days, unless further work is requested. A Red assurance final report will then be presented to the next Standards & Audit Committee meeting as a separate agenda item. This will require the relevant Director/senior manager to complete and present the covering report and provide members of the committee with an update on their responses to the implementation of recommendations and report on any actions taken, or being taken, to address the concerns raised within the report.

Follow up

Management assurances will be sought on the status of recommendations within 1 month of their implementation date. High level recommendations will require further testing as they reach their implementation date. Medium recommendations may require further testing, whilst for low level recommendations, we will place reliance on management responses but will follow-up as part of the next review of the service. If high risk recommendations relating to key controls have not been implemented within the agreed timescale, this will be reported, in the first instance, to the Section 151 Officer who will raise their concerns with the relevant Director.

Where a Red assurance report has been issued, the area will be revisited as part of the following years' annual plan.

Advisory or Consultancy Reviews

Where Internal Audit undertakes work of an advisory or consultancy nature, an assurance opinion will not be provided. However, recommendations will still be made and an action plan agreed with senior management. These reviews will be reported to the Standards & Audit Committee as part of the standard progress report.

Escalation Process

Management failure to meet the deadlines detailed within this Protocol will result in an escalation to the relevant senior manager and/or Director. If no response is received within a further 10 days, reports may be finalised without management comment. This will be reported to the Section 151 Officer and the Standards & Audit Committee, which could result in the Director/senior manager being called to the meeting at which the report is being presented to explain the reason for any delays.

Joint working between External and Internal Audit

External and Internal Audit work closely together to achieve their respective objectives and agree audit plans. This avoids any duplication of effort which is efficient and cost effective. It enables the External Auditor to place some reliance on the work of Internal Audit, particularly regarding the arrangements for ensuring the adequacy of systems.

Reliance placed upon other Assurance Providers

Internal Audit will consider reports from other external assurance providers when determining the scope of the work it undertakes and opinion provided in the Head of Internal Audit's Annual Report. This would include the work carried out and reported by organisations including OFSTED, the Care Quality Commission and peer reviews, and external legal and subject matter experts/consultants where the service does not have the technical knowledge e.g. Major Projects, Acquisitions of Assets etc.

**Standards & Audit Committee
Work Programme
2022/23**

Dates of Meetings: 7 July 2022, 20 October 2022, 24 November 2022 and 23 February 2023

Topic	Lead Officer
7 July 2022	
Audit Progress Report for 2020/ 21 External Audit	BDO / Jonathan Wilson
Regulation of Investigatory Powers Act (RIPA) 2000 – Activity Report 2021 /22	Lee Henley
Counter Fraud & Investigation Annual Report & Strategy	David Kleinberg
Annual Review of Risk and Opportunity Management and the Policy, Strategy and Framework	Andy Owen
In Quarter 4 (2021/22) Review of the Strategic/Corporate Risk and Opportunity Register	Andy Owen
Ethical Standards Report	Matthew Boulter
Complaints received under the Members' code of conduct	Matthew Boulter
Red Reports (as required)	

20 October 2022

Annual Complaints & Enquiries Report 2021/22	Lee Henley
Annual Information Governance Report April 2021 - March 2022	Lee Henley
In Quarter 2 Refresh of the Strategic/Corporate Risk and Opportunity Register	Andy Owen
Counter Fraud & Investigation Performance Report Q1	David Kleinberg

Red Reports (as required)

24 November 2022

Regulation of Investigatory Powers Act (RIPA) - Activity Report 2022/23 (April to September)	Lee Henley
Internal Audit Charter 2022	Gary Clifford
Counter Fraud & Investigation Quarterly Update (Q2)	Michael Dineen
Complaints received under the Members Code of Conduct	John Jones
Internal Audit Progress Report 2022/23	Gary Clifford

Red Reports (as required)

23 February 2023

Audit Progress Report for the Year Ended 31 March 2022 – Verbal Update	BDO / Jonathan Wilson
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In Quarter 4 Review of the Strategic/Corporate Risk and Opportunity Register	Andy Owen
Counter Fraud & Investigation Quarterly Update (Q3 Oct-Dec)	Michael Dineen
Internal Audit Progress Report 2022/23	Gary Clifford
Internal Audit Charter 2022	Gary Clifford
Internal Audit Protocol	Gary Clifford

Reports for 2023/24:

Internal Audit Strategy 2021/22 to 2023/23 and Annual Internal Audit Plan 2023/24 – Gary Clifford – 1st meeting
Chief Internal Auditor's Annual Report – Year ended 31 March 2022 – Gary Clifford – 1st meeting
Annual Review of Risk and Opportunity Management and the Policy, Strategy and Framework – Andy Owen
Update of Program and Project Management – Mark Bradbury
A13 Widening Project – Mark Bradbury / Kevin Munnelly
Stanford-Le-Hope Transport Projects - Mark Bradbury / Kevin Munnelly
Investment Briefing – Jonathan Wilson
Financial Statements and Annual Governance Statement 2020/21 - BDO / Jonathan Wilson
Audit Completion Report – BDO/ Jonathan Wilson

Clerk: Rhiannon Whiteley
Last Updated: February 2023

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