

10 September 2020		ITEM: 8
Standards and Audit Committee		
Refresh 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: Jonathan Wilson, Assistant Director of Finance		
Accountable Director: Sean Clark, Corporate Director of Finance, Governance & Property		
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 the report on the refresh of the register is presented on an annual basis and provides 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 June to August to refresh the Strategic/Corporate Risk and Opportunity Register.

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 note the items and details contained in the Dashboard (Appendix 1).**
- 1.2 That Standards and Audit Committee note the 'In Focus' report (Appendix 2), which highlights the higher priority items identified by the review.**

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 ROM makes a significant contribution to the sound Corporate Governance arrangements to meet the requirements set out in the Account and Audit Regulations and is an important part of the council's overall Performance Management Framework.
- 2.3 In accordance with the ROM Policy Strategy and Framework regular reviews of the Strategic/Corporate Risk and Opportunity register were undertaken during 2019/20 and reported to Directors Board and Standards & Audit Committee.
- 2.4 The annual review of the council's ROM arrangements was undertaken in the last quarter of 2019/20. As part of the review the ROM Policy, Strategy and Framework were updated and reported to Standards and Audit Committee 12 March 2020, via Directors Board 25 February 2020 and Performance Board 03 February 2020.
- 2.5 The refresh of the Strategic/Corporate Risk and Opportunity Register is the first exercise under the updated ROM Framework. The Corporate Risk and Insurance Manager has engaged with Services, Department Management Teams and Performance Board during June to August to refresh the Strategic/Corporate Risk and Opportunity Register.
- 2.6 The exercise was scheduled to be undertaken in the first quarter during April to June but with the impact of the Covid-19 outbreak and the Council focussed on responding to the situation it was decided to defer the review to the second quarter.
- 2.7 The review has resulted in some changes to the register (e.g. items refreshed, added or removed).

3. Issues, Options and Analysis of Options

- 3.1 The outcome of the review is shown in the Dashboard (Appendix 1), In Focus report (Appendix 2) and the following tables.
- 3.2 Appendix 1 – Dashboard
The refreshed and new items are included in the dashboard table. The dashboard provides a summary of the items in the register mapped against the council's priorities, shows the significance of the risks and opportunities, along with the developments to date and 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.

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.

A summary of the position for each in focus item is included below

Risk - In priority (rating) and then reference number order.

Impact of Coronavirus - Risk 5

(Rating: 16 Critical/Very Likely)

Recognised that this is not a short term crisis and there is no easy or quick solution to the situation as the position/challenges faced change regularly. Regular monitoring of the position, issues, planned response and recovery undertaken through gold/silver command structure and currently in line with the measures and guidelines issued by government. Covid-19 response and implications reported to Overview and Scrutiny Committees June and July 2020.

A13 Widening Project - Risk 9

(Rating: 16 Critical/Very Likely)

The A13 corridor is a vital part of the transport network in Thurrock and the south Essex area, enabling the economy to grow through expanding businesses, new housing and more jobs.

Major economic growth: Thurrock and the south Essex area has seen major investment in recent years, including the opening of DP World London Gateway Port and Logistics facility, and the continued development of Intu Lakeside retail and entertainment complex. This is part of a planned £20 billion investment in jobs, homes and infrastructure in Thurrock, including developments led by the private companies at Thames Enterprise Park, Lakeside Basin and the Port of Tilbury. A widened A13 will help support these developments, and also the significant investment planned for other parts of south Essex, including £272 million at Airport Business Park in Southend.

Excellent transport links: Thurrock and the south Essex area already has many excellent transport links with London, the rest of the UK and Europe, by road, river and air. The London Gateway Harbour Empowerment Order 2008 gave legal backing for further improvements to the surrounding road network, including widening the A13. This will be a benefit to traffic flow as currently around 77,000 vehicles each day use the A13 between the A128 (Orsett Cock roundabout) and the A1014 (The Manorway, Stanford-le-Hope).

Funding and partners: DP World London Gateway have contributed to the costs and the rest from government funding, directed through the South East Local Enterprise Partnership (SELEP).

Ongoing review and monitoring of project and implementation of planned actions to manage identified issues, areas for improvement and potential risks.

Adult Social Care Stability and Market Failure - Risk 2

(Rating: 12 Critical/Likely)

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 market place 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 added increased strain on providers. For example residential care providers have significant vacancies which is impacting on their ability to generate sufficient income. The Council has provided additional funding recognising the financial impact placed on providers. This includes a 10% temporary financial resilience payment which is available to all providers for the first 16 weeks of the financial year. Since the end of March, the Council has enabled payments to providers to be monthly in advance for at least 16 weeks to help with cash flow. The Government has also made funding available to support care homes with infection control subject to the homes meeting certain conditions. Whether the vacancies will continue following Covid cannot be foretold. In addition, there is an increased risk to the stability of the care market from new UK immigration rules which currently excludes social care staff from the Health

and Care Visa.

Work is progressing to overcome current challenges. This includes developing a new model of care for domiciliary care. At the beginning of 2018, the new domiciliary care contract started with providers now well established within the Borough. Work has also taken place on alternative approaches to traditional domiciliary care, with two Wellbeing Teams launched. 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. In addition, Thurrock is allocated additional funding for the Winter Period which is traditionally a very difficult time for the health and care system. This means that our local system is functioning as well as possible.

Despite the work taking place, the risk of market failure remains high.

CSC, Service Standards & Inspection Outcome - Risk 6 (Rating: 12 Critical/Likely)

This risk evaluates the impact of increased 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. The implementation of the early help service model and the Thurrock multi-agency safeguarding hub (MASH) has been successful. The service continues to maximize the external investment and opportunities presented through the Troubled Families Programme and continuously measures impact of the MASH.

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. War and international factors can result in an unplanned increase in the number of unaccompanied asylum seeking children or families with no recourse to public funds. Geographical movement of families across the Eastern Region and London can see a rise in families needing services, including large sibling groups. Areas for improvement have been identified in the Ofsted (ILAC) 2019 and a Development Plan has been created to address this. As a consequence of Covid19 since March 2020 there has been a significant impact on the way in which we deliver services within children's social care. There has been an impact on the budget which is subject to continuous scrutiny.

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 cost pressures. 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. Current and new 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.

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.

CSC, Safeguarding & Protecting Children & YP - Risk 7 (Rating: 12 Critical/Likely)

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 the S.E.T (Southend, Essex & Thurrock) Child Protection procedures the department actively works to mitigate this risk and reduce the likelihood.

The risk of children and young people coming to harm cannot be completely 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.

Embedding the Multi Agency Safeguarding Hub and 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. The development and implementation of the Thurrock Local Safeguarding Children Partnership arrangements will further improve the inter-agency arrangements to safeguard and promote the welfare of children and young people living in Thurrock.

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 should a child death or serious injury occur.

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.

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.

Property Ownership Liability - Risk 15

(Rating: 12 Critical/Likely)

Council properties (except for HRA and parks) moved to corporate function for repair, maintenance planning and budgets transferred. There has been a significant increase of number of properties moving to the Corporate Landlord Function which has resulted in a sharp increase in work streams. Condition and compliance surveys completed and loaded on Concerto database. The Estates Module remains outstanding on Concerto. This is a significant module which will assist with the management of leases and other property related matters and plans are in place to finalise this module by October 2020 as it is resource intensive and currently does not have adequate resources allocated to be able to progress. A draft Corporate Landlord Policy and a draft Corporate Landlord Procedure have been drafted, but can only be finalised once the resourcing requirements of the Corporate Property Team are agreed. The Facilities management function was brought back in house in April 2020 and Corporate Property Team restructure needs to be finalised to strengthen the capacity of the service. There is particular concern that vital roles are being undertaken by contract staff with no contingency or succession planning possible. In addition there is a lack of resource where posts remain vacant and where new resource is required to undertake a greater workload both within the Corporate Property and FM teams. Proposals to refresh governance arrangements for property matters was submitted in March 2020, this included a revised TOR for Property Board, a new reporting structure and an itemised forward plan to support property management, governance and enhance visibility of Corporate Landlord matters. The constitution has been changed limiting requiring consent for all disposal from the Leader or Cabinet. As there are currently no exclusions to this requirement the Assets Team should be obtaining consent for even day to day de minimis transactions, all disposal are on hold until the Director has agreed a way forward. The Covid-19 pandemic resulted in the rapid and unplanned closure of buildings for an unknown period of time and plans/protocols were established and arrangements put in place to ensure the safety of buildings and for critical staff that needed to work at the Civic Centre. The recommissioning of buildings is being carefully planned to ensure health and safety hazards are managed thereby ensuring buildings are safe for re-occupation. Additionally, the pandemic has necessitated social distancing measures and new working practices to protect staff, visitors and customers from the virus. Risk Assessments and re-occupation plans in accordance with PHE and government guidance are drafted for the Civic Centre and further guidance for other corporate buildings and satellite sites are to be developed and rolled out as appropriate.

Waste Strategy for Thurrock - Risk 20

(Rating: 12 Critical/Likely)

Cross Party Working Group established to develop strategy. Consultation with public and members completed and outcome from exercise to be reviewed to inform the further work required to develop strategy. Work ongoing with CPWG to further develop the strategy and planned to present draft to Cleaner, Greener & Safer Overview & Scrutiny Committee in October 2020.

Fraud - Risk 23

(Rating: 12 Critical/Likely)

The Counter Fraud & Investigation service 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.

The council has current and effective policies on Counter Fraud, Bribery & Corruption and Money Laundering which are kept under constant review. 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.

Major Projects (Place) - Risk 10

(Rating: 12 Substantial/Very Likely)

The Thurrock growth programme crosses many disciplines within the Council. It requires significant programme management capacity from the Regeneration team to lead 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. Investment needs to be committed to project development stages before outputs and benefits are realised, significant levels of funding are committed at risk to prove feasibility and investment then needs to continue to secure the benefits from the initial funding. External funding is committed to numerous projects, whilst this reduces the financial burden to the Council, compliance with funding agreements must be achieved to ensure the Council is not exposed financially via claw back mechanisms. Projects span numerous financial years and have to be able to respond to changing market, policy and financial conditions. Strong project and programme managers are essential to ensuring that delivery stays on track and investment secures value for money outputs. Increasing resource capacity in the team via Matrix has provided some additional support and approval has been received to secure 1 additional FTE. The project portfolio could benefit from significant external funding in 2020/21 which will put additional pressure on the existing staff resource as more projects are developed. Momentum needs to be maintained in the ongoing restructure to improve working approaches and secure additional resource.

Opportunity - In priority (rating) and then reference number order.**Investment in Growth - Opportunity 13**

(Rating: 12 Exceptional/Likely)

The Council has successfully secured approximately £100m in Local Growth Funding to support development of infrastructure supporting growth in Thurrock

While there are unlikely to be further bidding rounds for Local Growth Fund (LGF) support Government have introduced new funding streams including the Towns Fund and Future High Streets Fund. Both Grays and Tilbury have been identified as potential recipients of the Towns Fund which will bring a significant amount of investment into the local economy. Other opportunities to bid for funding are now being developed to help the economy recover from COVID. In the longer term the Shared Prosperity Fund should be introduced to replace LGF and ESIF funding (European Structural & Investment Funds).

Treasury Management/Investment Strategy - Opportunity 16a (Rating: 12 Exceptional/Likely)

Investments identified as having the greater ability to make significant income with the minimum of impact on service provision. Treasury Management and Investment Strategy established. Review undertaken and position reported to Council Feb 2020. Ongoing development, review, monitoring and reporting of investment programme (e.g. Investment Briefing presented to July Council and Standards & Audit Committee).

- 3.4 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.
- 3.5 Two items have been removed as a result of the exercise and the details are summarised in the following table:

Items in alphabetical order

Alignment of Libraries and Community Hubs - Opportunity

With the Peer Review completed and the information used to further inform the Strategy/Plan, the acceleration of the collaborative communities' agenda as a result of mobilising communities to support the response to Covid19 and with the restructure on the horizon the Council are in a very good position to complete the alignment the libraries and community hubs. The Framework for developing Collaborative Communities will enable this agenda to be managed as business as usual going forward. Opportunity to be removed from the Strategic/Corporate Risk and Opportunity Register and ongoing monitoring of developments and position to be continued at department level.

Political Balance of the Council - Risk

The political party membership has changed & the Conservative party now has a majority control of the council. Item removed from register and replaced with new item for Political Environment.

3.6 The whole register has been filed on Objective under the shared file for Risk and Opportunity Management

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 the report on the refresh of the register is presented on an annual basis and provides 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 refresh the Strategic/Corporate Risk and Opportunity Register.

5.2 The refreshed Strategic/Corporate Risk and Opportunity Register was presented to Directors Board 17 August 2020, via Performance Board representatives 13 August 2020.

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 Management Accountant

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: **Tim Hallam**
Deputy Head of Law and Deputy Monitoring Officer

Effective risk and opportunity management and the processes underpinning it will provide a more robust means to identify, manage and reduce the likelihood of legal claims or regulatory challenges against the council

7.3 **Diversity and Equality**

Implications verified by: **Roxanne Scanlon**

**Community Engagement/Project Monitoring
Officer**

The management of risk and opportunities provides an effective mechanism for monitoring 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 our statutory equality duties.

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

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, July 2020. The document can be accessed via the following shared Risk and Opportunity Management file on Objective: <https://edrms.thurrock.gov.uk:443/id:fA1213633>

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