

9 September 2021		ITEM: 9
Standards and Audit Committee		
In Quarter 2 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, Director of Resources and Place Delivery		
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 July 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.

A number of the risks and opportunities or management response arrangements have been impacted by the pandemic situation and the effects on the items are reflected in the report.

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 2020/21 and reported to Performance Board, Directors Board and Standards & Audit Committee.
- 2.4 The annual review of the council's ROM arrangements was undertaken in the last quarter of 2020/21. As part of the review the ROM Policy, Strategy and Framework were updated and reported to Standards and Audit Committee 11 March 2021, via Directors Board 15 February 2021 and Performance Board 05 February 2021.
- 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 July to August to refresh the Strategic/Corporate Risk and Opportunity Register.
- 2.6 The refresh is normally undertaken in the first quarter during April to June but with the continued impact of the Covid-19 situation and the Council reconsidering the priorities and financial position 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.

Adult Social Care, Stability and Market Failure - Risk 2 (Rating: 16 Critical/Very 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 significantly increased the strain on providers and the system as a whole. A number of residential care providers have had to close temporarily due to Covid-19 outbreaks and this has significantly reduced available capacity and also the ability of providers to fill vacancies. The situation is likely to continue throughout the pandemic. Staffing is also a major issue, with increasing staff absence across both residential and domiciliary care sectors. This is having a direct impact on the number of people admitted to care homes and the number of hours available to provide care within the domiciliary care sector. This has led to 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. This has been compounded by an increase in demand for care services during the period of the pandemic. It is unclear as to whether the demand will be limited to the lifecycle of the pandemic or continue beyond its end. There is also a direct impact on family carers who are being relied upon more and are at increased risk of being unable to cope. The pausing of services such as Day Care will contribute to this situation. The Council has asked for volunteers who are prepared to assist – including with the delivery of care.

The Council has provided additional funding to recognise the financial impact placed on providers. This included a 10% financial resilience payment which was made available to all providers for the first 16 weeks of the last financial year (20-21). The Council also enabled payments to providers to be monthly in advance to help with cash flow. The Government 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.

At the same time as the pandemic, capacity issues across the system will be compounded by the usual winter pressures. Capacity depends upon the ability to be able to staff facilities and to cope with the additional demand placed on the system by Covid. Delayed Discharges remain low, which is a reflection of how well Thurrock works with its partners and providers, but the ability to maintain this position is extremely tenuous.

Transformation work is however progressing to attempt to overcome and control current challenges – although some elements of the work will take time to be realised. This includes developing a new model of care for domiciliary care and a regional Workforce Development strategy focusing on external provision. 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 taking 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.

Despite the work taking place, the risk of market failure remains extremely high. The sheer number of challenges faced by the care market at the current time has led to the risk level being kept at 16.

Impact of Coronavirus - Risk 11

(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. Member Oversight and Engagement Board meet weekly as of the end of October in order to monitor the data frequently and respond to the processes now in place since the introduction of the three tier local COVID alert levels. Ongoing regular reports from June 2020 to boards and committees with regard to the response, recovery and the implications of pandemic. The Council continues to strive to meet the challenge of keeping up with and responding to the latest position and government guidance. Focus is shifting to recovery and how we support residents and businesses as the economy is opened up more. The council and our partners are also looking at how we live with COVID and in the short and medium term. As more restrictions are lifted the infection rate is likely to go up, therefore this will continue to be monitored very closely. Vaccination levels are high in the borough, however the situation is still of great concern and we are yet to fully understand the impact on the wider local economy. Forecast rating of 9 put forward but subject to change as the year unfolds and the situation changes.

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 were 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 Service has recently had a focused visit in June 2021 with a key focus on the local authority's arrangements for the protection of vulnerable children from extra-familial risk. A letter will be published by Ofsted on 09th August and the service will update the Development Plan to address any identified learning/improvements. The service is now preparing for the next Ofsted visit which in all likelihood will be a full ILACS inspection. Key focus on Criminal Exploitation.

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 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. It is anticipated that there will be an increase in volumes of contacts into the service, including court delays regarding management of cases. The lack of available of foster placements and residential placements for children with complex needs

is a national issue.

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 is further improving 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 if a child is not safeguarded or 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. The emergence of Covid19 resulted in a number of changes to service delivery. An Operational Procedures document during the Coronavirus outbreak was implemented for some time and is still being reviewed on a regular basis. This document ensures business continuity is maintained following appropriate risk assessments and government guidelines.

Property Ownership Liability - Risk 14 (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, it is resource intensive and currently does not have adequate resources allocated to be able to progress. Resource has been identified to move this module on however it is unclear if this should progress given the proposed change of IT systems to Microsoft 365. The Management module of Concerto is now live and although the implementation has been and remains labour intensive its use is generally a success. 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. A lack of resource in the Facilities Management (FM) Team with much increased work load particularly within the security team is a major risk with additional shifts having to be covered by on call agency. FM Team would be further impacted in event of COVID outbreak within the teams, security at Civic Offices and Wardens at Thameside

would be covered by contractor. Mailroom and reprographics would be major impact but would need to reduce service initially and call on wider team for assistance.

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 which has resulted in all disposals requiring a ED2 and increased workload. 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 was carefully planned to ensure health and safety hazards are managed thereby ensuring buildings were safe for re-occupation. Additional national lockdowns and changes to protocols result in the reversal of that process and add additional resource demand for decommissioning and re commissioning buildings and managing changing Covid Requirements, 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. Due to restriction of staff within Civic Offices no fire marshal system in place, signing in/out procedure, risk if staff do not adhere to system in event of fire evacuation. The Corporate Property Team has been asked to undertake a wider ranging Asset Review with a view to identifying buildings that can be re-tasked or disposed of to generate capital receipts in order to support the overall Council budget. The asset review is progressing and this is a significant piece of work requiring substantial input from an already under resourced team and as it progresses results in significantly more work once assets are identified to dispose of. Workloads generally remain an issue within the Estates and Assets teams which would be significant risk of being highly impacted by long term staff sickness or staff leaving post, this is further exacerbated by key functions within the assets team being covered by agency staff with no other internal options. The current reduction in Capital spend is having a detrimental effect on the day to day management and maintenance of the Council's assets both Operational and Non-Operational as items requiring capital expenditure are potentially deteriorating which will result in additional future cost should the asset remain in the Council's owner ship or potential Health and Safety issues if remedial work is not undertaken. The continuing impact of Covid is having a detrimental effect on our Commercial occupiers and will likely impact on the potential expected rental income for this year and next with the number of void properties also likely to increase. Risk to be reviewed in the next review (Quarter 3 2021/22).

Delivery of the MTFs 2021/22 - 2023/24 - Risk 16

(Rating: 12 Critical/Likely)

Regular financial reports presented to members throughout the current financial year.

Budget for 2020/21 has been delivered and a balanced budget for 2021/22 was set, with a remaining gap of £25.349m for the subsequent 2 years (2022/23 and 2023/24) as reported to Cabinet and Corporate Overview & Scrutiny Committee January 2021, prior to full approval by Council in February 2021.

This includes funding announcements in December 2020 but this only covers 1 year. Hence there is uncertainty over the funding for the next 2 years. Additional Covid funding supported the position in 2020/21 and continues to address some pressures in 2021/22. Further progress on delivery of the savings target will continue in 2021/22 and will be reviewed by Cabinet. Further clarity on funding for 2022/23 is expected by December 2021.

A13 Widening Project - Risk 18

(Rating: 12 Critical/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 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), and Thurrock Council.

There has been an ongoing review and monitoring of the project and implementation of planned actions to manage identified issues, areas for improvement and potential risks. Good progress has been made in 2021 to date with a target completion date of Jan 2022. The high risk elements of the project including earthworks and demolition have progressed well, helped by a period of relatively good weather. The project budget remains a significant risk and is being closely monitored alongside the revised delivery timeline and the remaining project risks. Covid does remain a threat although this has had minimal impact to the programme over the Spring/Summer.

Waste Strategy for Thurrock - Risk 22

(Rating: 12 Critical/Likely)

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. Political influence via leadership changes continue to remain a possibility particularly given the program of local elections within the borough.

External consultation has been sourced in order to sense-check the strategy against current national policy and a temporary pause placed on part of the new vehicle procurement process, however this remains time-critical and action may be required imminently if considered necessary from the sense-checking.

Fraud - Risk 25

(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, 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.

In the last year 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 CFI 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 team have worked closely with the Revenues team (those responsible for administering the grants) to complete pre & 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.

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, 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 and must be brought into the risk faced by the council. CFI have been approached by various council who have fallen victim to £1m+ mandate frauds.

CFI has 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.

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.

Local Plan - Risk 27

(Rating: 12 Critical/Likely)

Any failure on the part of the Council to prepare a Local Plan in accordance with the timescale and programme set out the Council's Local Development Scheme will put it at risk of possible intervention by the Secretary of State. Should this occur the Council could lose the ability to plan for future development of Thurrock with its plan-making powers being taken away by the Secretary of State who has the option of directing another body to take over responsibility for preparing the Local Plan.

Further sanctions could also come in the form of the loss of the Council's New Homes Bonus and a reduced ability to bid for national funding support for new infrastructure.

A failure on the part of the Council to provide a rolling five year land supply would also increase the possibility that land owners 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.

Finally the reputational damage and harm to the Council could be substantial as would the abortive costs involved in promoting a Local Plan which will be found unsound at examination.

Despite the problems caused by lockdown and the pandemic situation, significant progress has been made in moving the Plan forward with a particular focus being on the development of the Local Plan evidence base. Further progress has also been made in rolling out Local Plan Planning Performance Agreements with landowners and developers promoting sites and in building up towards the launch of the Community Design Charrettes which will now start in September.

Regular updates on the development of the Local Plan and next steps provided to the Local Development Plan Task Force (a cross party Members working group) and the implications of the Covid-19 pandemic on the project and the plan to be considered throughout the process.

Major Projects (Place Delivery) - Risk 19

(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 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 12

(Rating: 12 Exceptional/Likely)

The Council has successfully secured significant amounts of Local Growth Fund, Getting Building Fund and other funds to directly deliver projects and programmes that benefit local residents and businesses directly or through investment infrastructure. This year there has already been opportunity to secure investment from the Community Renewal Fund. The Shared Prosperity Fund is expected to be announced in the Autumn and the Council is also expected to apply for Levelling Up Fund later in the year.

The results of the Towns Fund applications submitted in early 2021 have been announced this week and have secured, in principal, around £40m investment in Thurrock subject to business cases and due diligence.

Treasury Management/Investment Strategy - Opportunity 15a (Rating: 12 Exceptional/Likely)

Investments identified as having the greater ability to make significant income with the minimum of impact on service provision. Investment Strategy established. Review undertaken and position reported to Council Feb 2021. Ongoing review, monitoring and presentation of investment briefings to Standards & Audit Committee, Cabinet, Council and Overview and Scrutiny Committee; MTFS Update & Revenue Budget Monitoring report to be presented to Cabinet Sept; MTFS Update & General Fund Budget Implications due Cabinet Oct; Financial Update report to Corporate Overview & Scrutiny Committee due Nov. Cross party Shadow Investment Committee established in 2020 and meetings commenced in quarter 3 2021.

The Council's investment strategy has been paused for new activity following changes to central government lending conditions associated with PWLB borrowing. Existing investments continue to deliver significant income to support service delivery. The pause in new activity will reduce the overall projected level of forecast in the MTFS which will be reflected in the associated future budgets.

- 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 Some items have been removed as a result of the exercise and the details are summarised in the following table:

Items in alphabetical order

Delivery of MTFS 2020/21 - 2021/22 - Risk

Item for 2020/21 managed, removed from register and replaced by new item Delivery of MTFS 2021/22 - 2023/24, Risk 16.

Impact of UK Withdrawal from the EU - Risk

The key risk for Thurrock was in relation to network disruption around the Dartford Crossing, M25, J31 and at Purfleet Port, however the government plans include a 3 phased approach to border controls and it was anticipated that this, alongside other mitigations put in place as part of the government's Border Operating Model, including the Kent Permit Scheme and inland border facilities would reduce the worst case scenario assumptions. As at 31 March there had been no significant issues on the highways network as a result of post Brexit activity at our ports. The emergency planning risks have now dissipated and therefore the ERF has stood down all plans and the council's EU Exit Planning group has reduced and refocussed on longer term impacts of Brexit, plus a monitoring role in relation to EU Settlement Status. Services have returned to business as usual in regards to Brexit. Risk managed and removed from the register.

Political Environment - Risk

The local election in May 2021, delayed from 2020 due to the coronavirus outbreak, where a third of the seats were available, led to the current political makeup being Conservatives 29, Labour 16, Thurrock Independents 3 and Independent 1. The financial pressure that the council is facing due to COVID costs and other pressures will mean some difficult decisions will need to be made over

the next few months therefore gaining support from all members will be crucial to the medium future of council services. From September 2020 to May 2021 a full calendar of committee meetings continued albeit hybrid or virtual. Since May, most committee meetings have been conducted in person in line with government guidance. All Overview and Scrutiny Committees are operating as normal. The decision has been taken to remove this risk from the corporate risk register and will be kept under review at a service level. Working within a political environment is considered to be ongoing 'business as usual'.

Raising Thurrock's Profile & Image - Opportunity

Under the banner People, Place, Prosperity we have developed targeted marketing for potential inward investors, with the central communications team working with the Place Directorate and linking in with South Essex 2050. Following successful trips to MIPIM in March 2018 and March 2019 ASELA councils are working closely to develop a joint vision and strategic plan and have recently launched an area wide engagement exercise. The joint presence at MIPIM in March 2020 did not go ahead due to the COVID outbreak and this may have slowed momentum with investors and developers, who themselves will have been disrupted by COVID, although some new contacts have still been made. We are reviewing the situation for our investors very carefully.

The council has also won or been finalists in a number of national awards over the last couple of years, including for planning, housing regeneration, housing, commercial strategy, community engagement, environment, social care, Councillor of the Year awards as well as MJ Senior Leadership Team and Local Authority of the Year.

There is lots of work going on with partners, particularly around the Thames Freeport and ASELA. This opportunity therefore has been subsumed into two other Opportunities around Backing Thurrock Strategy (Opportunity 13) and Investing in Growth (Opportunity 12) and the item is therefore removed from the register.

Thurrock Growth Programme - Opportunity

In recent years there has been significant investment in the borough - particularly around the Port of Tilbury and London Gateway Logistics Park. However the pandemic has had a significant impact on the Business Community.

In 2020/21 the Council has produced a new Economic Strategy - Backing Thurrock. Backing Thurrock reflects a different approach to recovering from the pandemic, resilience and a return to growth. It includes a number of projects and programmes and is subject of a new Corporate Opportunity on the register.

Existing Thurrock Growth Programme opportunity removed from register and replaced by new item for Backing Thurrock Strategy. See Opportunity 13 for details.

Waste Strategy for Thurrock (2020/21) - Risk

Risk item for 2020/21, which focussed on the development and agreement of the waste strategy managed and removed from register. Item replaced by new Waste Strategy for Thurrock risk, which picks up the significant issues facing the delivery of the waste strategy. See Risk 22 for details.

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 16 August 2021, via Performance Board representatives 12 August 2021.

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: **Rosie Hurst**
Interim 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 Legal 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 and Project Monitoring Officer, Adults, Housing & Health

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 2021. 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