

<b>7 July 2022</b>		<b>ITEM: 7</b>
<b>Standards and Audit Committee</b>		
<b>In Quarter 4 (2021/22) Review of the Strategic/Corporate Risk and Opportunity Register</b>		
<b>Wards and communities affected:</b> All	<b>Key Decision:</b> Non-key	
<b>Report of:</b> Andy Owen, Corporate Risk and Insurance Manager		
<b>Accountable Assistant Director:</b> Jonathan Wilson, Assistant Director of Finance		
<b>Accountable Director:</b> Sean Clark, Director of Resources and Place Delivery		
<b>This report is Public</b>		

### **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 an annual basis and 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 and February 2022 to review 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 the Standards and Audit Committee note the items and details contained in the Dashboard (Appendix 1).**
- 1.2 That the 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 line with the ROM Policy, Strategy and Framework the Strategic/Corporate Risk and Opportunity Register was refreshed during July to August 2021 and the details reported to Standards & Audit Committee 09 September 2021, via Directors Board and Performance August 2021.
- 2.4 A further exercise was undertaken with Services and Department Management Teams during October 2021 to update the register and the outcome presented to Performance Board November 2021
- 2.5 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 2022 to update the Strategic/Corporate Risk and Opportunity Register.
- 2.6 The report on the review was scheduled to be presented to Standards & Audit Committee March 2022 but deferred to the July 2022 meeting as there were a number of items lined up for the agenda.

## **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 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.

<b>Adult Social Care, Stability and Market Failure - Risk 2</b> (Rating: 16 Critical/Very Likely)
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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 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. Additional strain is also 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 be limited to the lifecycle of the pandemic or continue beyond its end.

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. Additional Workforce Capacity Funding has been received to assist with current provider challenges – although difficulties recruiting staff are likely to remain, and the funding is limited to the end of March 2022.

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 remains extremely tenuous and remains dependent upon community capacity and also the capacity of health providers.

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. 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 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.

Despite the work taking place, the risk of market failure 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. Risk to be refreshed in the next review

### **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. The lead up to Christmas and into the New Year saw a return to high levels of infection in the borough, some of the highest in the country for a few weeks, with associated pressure on local hospitals and other health and social care services. However a major incident was not declared and the council did not experience significant service disruption due to staff absence and forecast rating adjusted to 12. We are working closely with government and local partners to promote vaccinations and in particular booster vaccinations to those who have not yet taken up the offer. Risk and management action plan to be refreshed in the next review.

**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 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. Recommendations for improvement identified and Development Plan updated to address the items. Further Ofsted ILACS Focussed visit completed Jun/Jul 2021, three recommendations for improvement identified and action plan updated to address items.

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.

Regular reporting of CSC performance and plans to CS Overview and Scrutiny Committee. Risk and management action plan to be refreshed in the next review

**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. Regular reporting of performance and progress against plans to CS Overview & Scrutiny Committee.

Risk and management action plan to be refreshed in the next review

### **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 is live and being populated with current data, training for officers is due to be undertaken in January 2022. This is a significant module which will assist with the management of leases and other property related matters and its implementation represents a significant step forward in the management strategy for the estates. It is unclear how this module will be impacted by 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 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. Added to this the considerable drain in the last quarter on the FM team in completing the declutter and reorganisation of CO2 there is significant pressure on officers time.

CO1 still remains closed due to electrical fault with a specialist repair scheduled for January 2022. This has had significant impact on the Council's ability to host member meetings and further impacted on officers' time and on two tenants who occupy parts of CO1. Due to the specialist

nature of the work, limited availability of contractors there is significant risk the repair schedule could further be affected.

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 an ED2 and increased workload. The continually evolving Covid-19 pandemic and the closure and the recommissioning of buildings were 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 & 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 recent introduction of the sign in application has gone some way to mitigate this risk although take up and use by staff needs to be assessed.

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 it generates significantly more work once assets are identified to dispose of. A number of disposal have been successfully undertake with more agreed however one major proposed disposal has faltered which may result in the capital receipt target for this financial year not being met. The review of Corporate buildings is largely completed however additional works is still being undertaken in this area. Workloads generally remain an issue within the Estates and Assets teams which would are 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 ownership or potential Health and Safety issues if remedial work is not undertaken. This is particularly of importance with reference to the Thameside complex and Impulse Leisure properties where considerable planned and remedial maintenance works are required many of which fall into a health and safety category. In addition the condition of other Council Assets, in particular Coalhouse Fort have the potential to represent a significant liability in terms of repair and maintenance in the coming year. 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. Changes in EPC legislation in April 2023 require EPC ratings of E or above may affect the Council's property portfolio. Currently three of the Council's properties do not comply and there are an additional 207 properties yet to be assessed which will likely resulting in additional capacity required in officer's time and budgets to remedy.

The departmental restructure is progressing with all officers' 121 having been undertaken in line with the proposed time frame & a recruitment drive scheduled for Jan 2022. The impact on moral within the directorate must be noted with a number of staff being put at risk & significant changes proposed to the structure. Risk and Management action plan to be refreshed in the next review.

### **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 an anticipated planned substantial completion date (all lanes open to traffic) of March 2022. All new bridges are in operation and the existing bridges have been demolished. The vast majority of earthworks and drainage is complete. 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 reduced. Emerging risks include - Cold weather impacting road surface laying, production issues during road closure periods due to supply issues and utilities, particularly gas mains around the Orsett Cock roundabout. Update reported to Planning, Transport, Regeneration Overview & Scrutiny Committee, February 2022. Evaluate that Forecast Rating of 8 should be achieved by the Forecast Date of 31/03/2022 providing that all runs to plan and none of the identified emerging or new unexpected risks impact the programme.

### **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 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.

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. Risk and management action plan to be refreshed in the next review.

### **Local Plan - Risk 27**

(Rating: 12 Critical/Likely)

Failure to prepare and maintain an up-to-date Plan will put the Council 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 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.

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 the pandemic, 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 started in December 2021. A framework version of local Plan is under development with the aim to prepare a Draft Local Plan for Senior Officer and Member review in June/July 2022.

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) throughout the process, A report on the Approach to the Local Plan was also presented to Regeneration Overview & Scrutiny Committee in October. Risk and management action plan to be refreshed in the next review

### **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: 16 Exceptional/Very 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. One project supported in Thurrock with a value of £100k now being implemented. In addition £150k secured through Welcome Back Fund.

The Government has delayed announcements on launch of the Shared Prosperity Fund, Levelling Up Fund Round 2. The results of the Towns Fund applications submitted in early 2021 have been announced and have secured, in principal, around £40m investment in Thurrock subject to business cases and due diligence. The Government has designated Thames Freeport and full business case to be submitted 31 Jan 2022.

#### **Backing Thurrock Strategy - Opportunity 13** (Rating: 12 Exceptional/Likely)

Backing Thurrock strategy 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 arrangements for the strategy are in place and delivery is now underway.

Available resource is being targeted at the most important priorities and projects in the programme highlighted in the action plan.

Delivery underway and good progress 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 reduced to 12 to reflect delivery in year.

Opportunity and management action plan to be refreshed in the next review

#### **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 (S&AC), Cabinet, Council and Corporate Overview and Scrutiny Committee (CO&SC) scheduled for 2021/22. Financial Update including position on the treasury and investment outturn projections presented to Cabinet September; Investment Briefing presented to S&AC September; MTFs Update & Budget Proposal reported to CO&SC November; Financial Update presented to Cabinet December, Capital Strategy, including Treasury Management Strategy and surplus for 2022/23 presented to CO&SC January and scheduled to be reported to Council February, General Fund Budget & MTFs reported to Cabinet and CO&SC January. Cross party Shadow Investment Committee established in 2020, meetings commenced in quarter 3 2020, options for the assurance, internal control and governance arrangements considered and discussion paper presented to CO&SC January 2022.

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 and reflected in the associated budget reports.

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.

#### **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 review of the register are 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 review the Strategic/Corporate Risk and Opportunity Register.

5.2 The updated Strategic/Corporate Risk and Opportunity Register was presented to Directors Board and Performance Board in February 2022

#### **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: **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.

### 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 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 Inequalities, Sustainability, Crime and Disorder, and Impact on 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 2022. 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**

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