

# Audit Committee

18 March 2021



<b>Title</b>	COVID-19 Risk Considerations (UPDATE)
<b>Purpose of the report</b>	To note
<b>Report Author</b>	Punita Talwar, Internal Audit Manager
<b>Cabinet Member</b>	Councillor Sati Buttar
<b>Confidential</b>	No
<b>Corporate Priority</b>	Financial Sustainability
<b>Recommendations</b>	<b>Audit Committee is asked to:</b> Note the updated COVID-19 Risk Management report and Risk Assessment for COVID-19 at Appendix 1.
<b>Reason for Recommendation</b>	<b>Not applicable</b>

## 1. Key issues

- 1.1 The Country is currently in the third outbreak of COVID-19 with accelerated virus transmission rates from the new variants. The Council has reacted with a positive emergency response to the latest phase of the pandemic as recovery continues. Given that the current wave coincides with the winter season and extreme weather conditions, national rollout of the government's vaccination programme and economic impact of post-Brexit, there are additional pressures facing the Council, local Services, and the wider community. These competing crises have further compounded the unprecedented challenges of a pandemic. Revised corporate priorities are being developed for the Council with 'Recovery from COVID-19' representing a key focus area for Spelthorne.
- 1.2 The Corporate Management Team recognise the importance of articulating the Council's risks and opportunities relating to COVID-19 in the form of a documented risk assessment, bringing together many of the areas already identified and discussed. This has been updated ensuring the most significant risks arising (which may also relate directly to the achievement of the Council's corporate priorities and objectives) continue be identified, managed, monitored, and reported at key phases of the pandemic crises, supporting organisational resilience. It is acknowledged that risks will continue to emerge and evolve into the longer term and positive opportunities sought.
- 1.3 The updated risk assessment is at Appendix 1 which sets out mitigation measures in place to manage those risks, as well as any further actions underway or for perusal. It includes a RAG (Red/Yellow/Green) risk rating/ranking for each category based on an assessment of likelihood (probability) and impact (severity), to ensure risks are prioritised for action and given due focus in accordance with significance and opportunities highlighted.

1.4 The Council's most significant risks to highlight as part of this review are set out below at 1.4 (a) to 1.4 (e). An outline of corresponding risk management measures being pursued is highlighted.

- (a) Economy – red risk category A. It is widely reported that return to pre-pandemic levels of the world economy could be very long, uneven and uncertain, hence economic recovery remains extremely challenging. The economic situation may become clearer following the Chancellors budget speech on 3 March.

The Economic Development recovery plan is being developed. There are several initiatives underway to support the local economy such as helping people back into employment and training, for example the opening of the small business incubator in April, the Council's funding bid for a youth hub, appointing a town centre manager for Ashford, Sunbury and Shepperton, action plans for future direction of town centres, seeking opportunities for retailers to have a greater digital reach and online presence. Financial support for businesses has been made available through Government grant schemes, including the Council's discretionary Additional Restrictions grant scheme.

- (b) Local operating procedures, policies, and plans – red risk category B. Spelthorne's response to the COVID-19 crisis has been acknowledged as good Council practice by the Local Government Association and response phase continues as part of the third wave lockdown. The Councils overarching recovery plan is in progress to incorporate economic, environmental, and social strands. Collaborative working with local and regional partners/councils remains integral to achieving positive outcomes as part of pandemic response and recovery.

Whilst the government's road map announced on 22 February sets out anticipated timeframes for coming out of the current lockdown, due consideration of the implications in the unfortunate event that the nation incurs a further lockdown will need to be incorporated into planning processes.

As part of resumption planning the Council will take advantage of positive opportunities to derive ongoing benefits from some practices associated with new ways of working, continuing also to apply wider lessons learnt from the pandemic.

- (c) Financial sustainability – red risk category C. The medium- term financial strategy reported to Cabinet in January 2021 sets out ongoing challenges for the authority, in particular the significant reduction of income, tax base and collection fund impacts, and increased expenditure arising from Covid-19. Whilst some losses have been offset by central government funding, Services are required to monitor the ongoing impact of the pandemic on their budgets to ensure submission of timely and accurate returns to the government. Financial modelling includes a possible range of budget scenarios for 2021/22 through to 2024/25. The Council's reserves strategy has also been reviewed and updated. The 2021/22 budget includes a £1m COVID-19 provision.

Continued weekly monitoring of commercial asset income due is undertaken. The Investment portfolio is doing well, significantly better than the commercial sector as a whole, and the overall collection rate for the four quarters since March 2020 quarters to December 2020 is now 97.4% (as at 19.2.2021). These positive outcomes are due to continued staffing efforts and approaches in recovering income due.

- (d) Insufficient capacity – red risk category D. Corporate capacity remains severely stretched especially as some aspects of COVID-19 related work continue such as the administration of further grant schemes (several) to support businesses and social support for hospital discharges and vulnerable members of the community. Added to this the ongoing organisational pressures may have implications for losing sight of some of the priority focus areas and will continue to have an impact on the level of service delivery in some areas. Resources have been strengthened in some services to address these risks. Additionally one impact which is being monitored is to see how many frontline staff who cannot work from home are also identified as clinically vulnerable, and are therefore required to be based from home until the end of March.
- (e) Health and wellbeing/safety – red risk category F (risk rating has increased at this review). Spelthorne's infection rates have been amongst the highest across Surrey and cases of the South African variant have been reported in parts of the County including the neighbouring borough of Runnymede. The importance of protecting the most vulnerable members of the community remains pivotal at a time when virus transmission rates have soared, and new variants continue to emerge. As rollout of the mass vaccination programme continues, uptake of vaccinations is being promoted across the borough through various communication channels to target community groups as necessary. There remains however a residual risk around some individuals declining the vaccine, leaving them unprotected and enhancing risks of continued virus transmission across local and wider communities. Discussions around the efficacy of the vaccine(s) in providing ongoing protection may naturally continue to evolve.

Frontline staff delivering essential services remain vulnerable in the pandemic environment and access to vaccinations for these groups is being prioritised, with planned lateral flow testing for council staff being available by the end of February 2021.

## **2. Options analysis and proposal**

- 2.1 To note and accept the contents of the updated COVID-19 Risk Assessment including any risk mitigating actions underway or for perusal. The Risk Assessment at Appendix 1 is an accurate reflection of the relevant risk categories affecting the Authority during these unprecedented times and beyond, as well as mitigation measures, based on our assessment of risk and controls in operation. (Preferred option)

**Or:**

- 2.2 To recommend amendments to the COVID-19 Risk Assessment for consideration by the Corporate Risk Management Group.

### **3. Financial implications**

- 3.1 Resources required (staff time) to implement actions proposed in the COVID-19 Risk Assessment should be contained within existing budgets as far as possible. There may however be areas where additional resource /time/management support is required to implement risk mitigating actions. This will need to be highlighted by the assigned accountable or lead officer in liaison with Accountancy when considering the impact of COVID-19 on Service budgets/Corporate spend.

### **4. Other considerations**

- 4.1 The attached COVID-19 Risk Assessment covers key corporate risks and opportunities (a total of fourteen broad risk categories), some of these relating directly to achievement of developing corporate priorities and objectives. The most significant (red) risk categories to highlight as part of this review include Economic impact and recovery, Financial Sustainability, Insufficient Capacity, Health, Safety and Wellbeing of staff and local communities, and Local operating processes and plans.
- 4.2 The Risk Assessment gives due consideration to Equality and Diversity implications and any actions arising will continue to be monitored through the risk management process and other action plans.
- 4.3 As the COVID-19 Risk Assessment continues to be developed and refined to coincide with different phases of the pandemic, it may include accountable and lead officers responsible for progressing actions, together with target timescales for implementation and an indication of whether the action is open or closed.

### **5. Sustainability/Climate Change Implications**

- 5.1 The Risk Assessment gives due consideration to Sustainability and Climate Change implications (opportunities) and any actions arising will continue to be monitored through the risk management process and other action plans.

### **6. Timetable for implementation**

- 6.1 The Risk Assessment will continue to be reviewed and updated periodically, to align with key phases of the virus pandemic and beyond.

**Background papers: There are none.**

### **Appendices:**

**Appendix 1 – Covid-19 Risk Assessment**

**Appendix 2 COVID-19: Economic Recovery Plan for Spelthorne**

**Appendix 3: Update Report to Audit Committee on the Impact of Covid-19 on the Spelthorne Economy**