

Audit Committee

29 July 2021



Title	Corporate Risk Management
Purpose of the report	To note
Report Author	Punita Talwar, Internal Audit Manager
Ward(s) Affected	All Wards
Exempt	No
Exemption Reason	Not Applicable
Corporate Priority	Financial Sustainability
Recommendations	The Audit Committee is asked to note the report.
Reason for Recommendation	The Corporate Risk Register continues to ensure that the Council's most significant risks in relation to achievement of corporate priorities and objectives are identified, managed, monitored, and reported.

1. Key issues

- 1.1 A revised corporate risk register incorporating the summarised risk management policy guidance was presented to Audit Committee in March and subsequently to the Corporate Risk Management Group in June. The move to more simplified reporting was well received, with continued focus around strategic risks in delivering corporate priorities and objectives.
- 1.2 Development work around risk management continues. Training to raise awareness of risk management and launching the summarised policy guide is planned for September (with a view to attracting more attendees by avoiding the summer holiday period). Relevant material has been prepared for these presentations by the Internal Audit Manager. The integration of risk management into strategic planning, corporate processes and service functions is a key message for all Managers.
- 1.3 Discussions are taking place to establish a risk appetite statement for the authority and application will demonstrate proportionate action being taken in addressing and managing strategic risks and opportunities. A session for Members of the Audit Committee to incorporate risk management will be delivered by an external trainer on 19 July.
- 1.4 During the period under review the Council has continued to deal with the COVID-19 response, recovery, and resumption planning with the prospect of government lifting restrictions by 19 July. This response and the global economic position have meant several risks on the corporate risk register continue to be influenced by external factors (this relates to both red and amber risks). Significant risk categories are also referred to in more detail in

the separate Covid-19 Risk considerations report also being reported to the July Audit Committee.

- 1.5 The Council's most significant risks to highlight as part of this review of the corporate risk register (see Appendix A) are the three risk categories that have been assigned a red rating, based on application of the risk scoring model. This includes risk category 2 (Economy) which currently has the highest risk score as illustrated on the risk matrix, risk category 1(i) (Housing – Development & Targets) and risk category 6 (Sustainability and Climate Change).
- 1.6 The corresponding risk action plan attached at Appendix B highlights previously agreed actions completed, as well as 'work in progress'. There is also reference to the officer reviewing the action and when this has taken place as requested by the Audit Committee. A new action added as part of this review relates to the economic risk category.
- 1.7 The key issues to highlight as part of the latest review of the Corporate Risk Register are set out below at 1.7 (a) to 1.7 (d).

(a) Housing – Development and targets – red risk category 1 (i).

Housing – Affordable Housing – amber risk category 1 (ii)

Following steer from the Audit Committee, the risk categories for Housing have been differentiated, with risk category 1(i) covering Development and targets, whilst risk category 1 (ii) focuses more specifically on Affordable Housing. The risks relating to each category have been expanded to ensure they capture the impact and threats to the Council.

With regards risk category 1(ii) one of the key risks highlighted relates to managing social housing demand in the context of new legislative requirements (Domestic Abuse Act) as well as wider challenges. It is recognised there are several interdependent factors that impact service pressures and housing provision, for example increased level of rent arrears exacerbated by the pandemic effects an applicant's acceptance for permanent accommodation and requires Council negotiations with landlords to mitigate or delay risks of eviction.

Following review of the risks associated with Development and targets, this has been assessed as a red risk due to the following commentary. The pandemic has exacerbated risk of delays in completing property development schemes within anticipated timeframes. Despite this it is positive to report there are several housing schemes nearing completion. The adverse impact of the self-imposed Staines moratorium presents further challenges and increased delays in achieving development targets, the housing delivery programme and provision of affordable housing across the borough, presenting further service pressures. Viability assessments are currently underway for these specific development schemes, to be considered by the Development sub-committee. If Development targets and the Local Plan cannot be delivered on time, there is a significant threat to the Council around loss of control as the Local Planning Authority. Delays in political decision making also have an adverse impact on both timeliness and direction of Development schemes.

(b) Economy – red risk category 2.

The risk implications and threats to the Council arising from the national economic downturn have been expanded as part of this review as referred to at Appendix 1. Economic development elements of the broader council recovery plan include quick wins and longer-term actions to support local businesses, town centres, communities during and beyond the pandemic. There are several initiatives underway to support the local economy (please refer to separate Covid-19 Risk report). Financial support for businesses has continued to be made available through Government grant schemes. With regards the Council's discretionary Additional Restrictions Grant scheme of which £1.6m is currently available, a new risk action has been included for a policy to be in place by September 2021. This scheme will support, facilitate and influence business activity contributing to the recovery of the local economy, although a residual risk remains given that the speed and extent of recovery will also be determined by the pandemic and external factors, therefore outside the Council's control. A dedicated committee has been set up to consider and monitor economic development matters, including the recovery plan and expenditure. The next strategy review is planned to cover 2022 – 2027.

(c) Sustainability and Climate Change – red risk category 6.

The Environment and Sustainability Committee will continue to explore ways to meet a carbon neutral target by 2050 or earlier and to make recommendations on how to apply the £747k fund. This committee will also move forward addressing climate change as a corporate priority that needs to permeate all Council areas to ensure we reduce our carbon footprint and seek positive opportunities to both mitigate and adapt to climate change. Strengthening of dedicated staffing resource to support delivery is underway. Climate Change issues have also been incorporated into the Council's pandemic recovery plan. Whilst Climate Change factors have been incorporated into some policies and the Sustainability Strategy 2016-21, further action is required in order to establish a coordinated strategy for tackling Climate Change and this is work in progress.

(d) Corporate Capacity and Resources – amber risk category 7 – (previously red)

This was previously ranked a red risk as corporate capacity was severely stretched in the pandemic environment due to increased work pressures. Additional staffing has since been approved as part of the 2021/22 budget and recruitment is underway to address resource issues in some services and therefore the RAG rating is currently classified as Amber. However this risk area requires ongoing monitoring as it is acknowledged that additional workload and challenges continue to emerge across Services.

Measures to demonstrate ongoing support for staff wellbeing are communicated and promoted regularly, with wellbeing webinars accessible to all employees.

The departure of talented and experienced resource has created additional challenges, and therefore succession planning to encourage knowledge transfer and personal development across services remains an important measure, albeit achieving this is not necessarily straightforward. New recruits and initiatives such as the LGA peer review also provide an opportunity for fresh ideas and a willingness to drive change where it is deemed beneficial. Continued monitoring of staff retention approaches prevails (referenced on the risk action plan).

2. Options analysis and proposal

- 2.1 To note the contents of the Corporate Risk Register including any new risk categories and risk mitigating actions underway or for perusal. The revised register at Appendix 1 is an accurate reflection of the high-level risks affecting the Authority, based on our assessment of risk and controls in operation. The risk action plan at Appendix 2 outlines the progress made on actions previously proposed, (preferred option); or
- 2.2 To recommend amendments to the Corporate Risk Register for consideration by the Corporate Risk Management Group.

3. Financial implications

- 3.1 Resources required (staff time) to implement actions proposed in the Corporate Risk Register should be contained within existing budgets as far as possible. There may however be some areas where additional resource /time/management support is required to implement risk mitigating actions. This will need to be highlighted by the assigned lead officer as appropriate.

4. Other considerations

- 4.1 There are none separate to those in the Corporate Risk Register. The revised register refers to the committees recently established under the new governance model.

5. Equality and Diversity

- 5.1 There are no areas to highlight. Equality and diversity considerations form part of service provision.

6. Sustainability/Climate Change Implications

- 6.1 There are none separate to those in the Corporate Risk Register.

7. Timetable for implementation

- 7.1 The Risk Action Plan at Appendix B shows lead officers responsible for progressing actions, together with target timescales for implementation. The corporate management group have overall accountability for ensuring these strategic corporate risks are effectively managed. The register is reviewed and updated three times a year in consultation with Group Heads and Managers, coordinated and reported by the Internal Audit Manager.

Background papers: There are none.

Appendices:

Appendix 1 – Corporate Risk Register (including risk scoring matrix)

Appendix 2 – Risk Action Plan

Appendix 3 – Summary policy guide for risk management (updated version)