

20 October 2022		ITEM: 7
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 Director: Jonathan Wilson, Interim Director of Finance		
This report is a Public		

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 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 July to September 2022 to refresh the Strategic/Corporate Risk and Opportunity Register.

This report provides Standards and Audit Committee with the key risks and opportunities identified by the review and the revised Strategic/Corporate Risk and Opportunity Register.

1. Recommendation(s)

- 1.1 That Standards and Audit Committee note the items and details contained in the Dashboard (Appendix 1).**
- 1.2 That Standards and Audit Committee note the 'In Focus' report (Appendix 2), which highlights the higher priority items identified by the review.**
- 1.3 That Standards and Audit Committee note the Best Value Inspection of the governance arrangements (including risk management) outlined in sections 2.7 and 2.8 of the report.**

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 contributes towards the council meeting the requirements of Corporate Governance and the Account & 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 2021/22 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 2021/22. As part of the review the ROM Policy, Strategy and Framework were updated and reported to Standards and Audit Committee 07 July 2022, via Directors Board and Performance Board February 2022.
- 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 September to refresh the Strategic/Corporate Risk and Opportunity Register.
- 2.6 The review has resulted in some changes to the register (e.g. items refreshed, added or removed).
- 2.7 On 02 September 2022, the Government announced it was intervening at Thurrock Council to address concerns about the authority's investment and borrowing activity and financial situation. Under the intervention package Essex County Council (ECC) have been commissioned to oversee the management of the Thurrock Council's financial resources and affairs, undertake a Best Value Inspection of the governance arrangements (including risk management) and provide support for the development of plans to manage the position. The findings of this work are due to be reported to Government within the next 3 months by ECC.
- 2.8 Any risk management improvement opportunities identified from the inspection will be used to inform plans to further embed the ROM arrangements across the Council and updates on the position will be reported in subsequent papers to Standards & Audit Committee.

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, the ratings for the items along with 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, Demand, Stability & 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 marketplace 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 with demand for home care remaining extremely high. Staffing remains a major issue across both residential and domiciliary care sectors. This is having a direct impact on the number of people we are able to provide care with across the domiciliary care sector leading to the implementation of waiting lists. This means 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. As a result, additional strain is 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 remain high, outstripping supply, but there seems to be no sign of demand abating. In fact, there is growing evidence that demand emanating from the pandemic is now beyond dispute.

Whilst some additional funding was provided by the NHS to assist with system flow, this has now come to an end, meaning that the Council cannot afford to carry on commissioning certain services – for example providing notice to the Hospital's Bridging Service. Unfortunately, this means that there is likely to be an impact on delays to discharge from hospital and the ability to provide care required as quickly as we would like. This is already starting to be experienced.

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. Thurrock's Integrated Care Strategy 'A Case for Further Change' has recently been published – detailing existing and future system change activity. 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 and unsustainable demand 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.

Adult Social Care, Care Reforms - Risk 6

(Rating: 16 Critical/Very Likely)

As stated in the risk description, the care reforms will place significant additional burdens on an already stretched social care budget and an already fragile market place. Additional funding is almost certainly likely to fall short of what is required – and even if sufficient funding was available, it is unlikely that the Council would be able to recruit the number of staff required to undertake additional work – both in terms of assessing those who require it as they are now eligible to receive Council service and are below the care cap, and in terms of providing sufficient workforce capacity to provide the additional demand in care.

Medium Term Financial Strategy 2022/23 to 2024/25 - Risk 25

(Rating: 16 Critical/ Very Likely)

Balanced budget for 2022/23 and remaining gap for the subsequent 2 years (2023/24 and 2024/25) reported to Cabinet and Corporate Overview & Scrutiny Committee (CO&SC) January 2022 and approved by Council in February 2022.

The Government has raised concerns around the Council's investment activity, the level of external borrowing and the financial/commercial risks potentially facing the Authority and put in place an intervention package. Essex County Council have been commissioned to oversee the management of the Council's financial resources/affairs and to support the development and implementation of plans to manage the situation.

Officers continue to work to reduce the remaining gap of £2.053m, mitigate further potential risks with the intention of delivering a balanced budget at the end of the financial year (as outlined in the Financial Update Quarter 1 2022/23 report to Cabinet 14 Sept 2022). The Council has worked with the Government, continues to fully co-operate with the appointed Commissioner and independent financial and legal experts to assess the situation. Following the review of the investments the further financial impacts to both the current year and the MTFS will be considered, and plans established to manage the situation as part of budget setting 2023/24. A revised MTFS is scheduled to be presented to Cabinet in Quarter 2. Risk and/action plan to be updated in the next risk management review (Quarter 3).

Welfare Reform - Risk 5

(Rating: 12 Critical/Likely)

The Authority's ability to manage the effects of the reforms successfully and locally has been re-evaluated. In Q3 2022/23 there is an increased risk to income because of the government's decision to restart 'managed migration' in Q2 of those on legacy benefits to Universal Credit. We understand that the DWP plans to notify claimants that they have a three-month deadline to apply for UC and that if they don't apply within that time frame, the DWP will be able to stop their current legacy benefit claim, regardless of their circumstances. In addition, we are concerned that government is still stating that all legacy benefits will be transferred to UC by 2024. If this timeline does not change then the majority of tenants i.e. those on legacy benefits will have to transfer to UC sometime between now and 2024 on what is currently an unspecified timetable.

Overall, it is to be noted that given the high levels of support that officers are required to provide a wide range of claimants affected by such reforms the resourcing of such high numbers transferring from legacy benefits to UC by 2024 is likely to present a real challenge for the Council.

We are taking a wide range of actions to mitigate the risk (as noted in the risk management action plan). The Strategic Welfare Reform Group which was established some years ago to oversee the introduction of the welfare reforms continues to oversee the most recent changes including the rollout of the Universal Credit which we have managed very effectively through our close working relationship with the DWP. We continue to work with Sanctuary Housing to provide appropriate support to tenants who may be experiencing hardship.

CSC, Service Standards & Inspection Outcome - Risk 8

(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 service continuously measures impact of the MASH. Thurrock has introduced a Think Family Service drawing together Commissioned and internal services to pool and reduce resource spend. The early help service model and the Thurrock multi-agency safeguarding hub (MASH) has been successful and this is being supported by the implementation of the Think Family Service. The service continues to maximize the external investment and opportunities presented through Supporting Families through continuing to achieving improved and sustained outcomes which means less children needing statutory services.

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 and local authorities duties. War such as the war in the Ukraine 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 Focused Visit in July 2021 and a Development Plan has been updated to address identified actions required.

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. 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 continue to be court delays regarding management of cases. The lack of available of foster placements and residential placements for children with complex needs remains a national issue.

Regular reporting of CSC performance and plans to CS Overview and Scrutiny Committee and monthly Development Board.

CSC, Safeguarding & Protecting Children & Young People - Risk 9

(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 Local and 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 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. 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. Regular reporting of performance and progress against plans are shared at CS Overview & Scrutiny Committee and regular monthly Development Board.

Property Ownership Liability - Risk 10

(Rating: 12 Critical/Likely)

The Council's Property and Facilities Management (FM) functions have previously been outsourced and have been brought back in house in two separate phases, with FM the most recent in April 2020. The coincidence of this with the global pandemic has to a degree meant that the focus on short term actions in relation to the pandemic has been at the expense of a more strategic approach to planning and resourcing.

The ongoing financial challenges faced by local authorities and the changing ways in which services are delivered and people work, many of which have been accelerated during the pandemic, mean that a wholesale review (and thereafter regular ongoing reviews) of the council's property needs and associated policies and strategies (many of which remain as unadopted drafts) is required. These will support the Council's Retain, Reuse, Release approach to property.

The Council has already adopted a Corporate Landlord approach to operational property, but this requires appropriate policies to be finalised, the need for corporate properties to be reviewed and the portfolio reduced with sites being consolidated where appropriate and the Property & FM team appropriately resourced to carry out the review, develop and implement strategies and provide ongoing management. The Council's medium term financial plan needs to reflect this resourcing need, the previous failure to transfer full budgets from services alongside the transfer of property and a backlog of maintenance from when properties were managed by services. This pressure should reduce as the portfolio is rationalised and investment focussed on properties which will be retained in the longer term.

The Council has adopted the Concerto platform as its Asset Management System. Implementation of relevant management modules has commenced alongside the transfer of data. This process needs to be accelerated to ensure that the Council has a full picture of ownership, compliance and risk. Property & FM need to work closely with IT to ensure that the system sits smoothly within the Council wide transition to Microsoft 365.

The lack of appropriate strategies, resources and budgets increases the risk of non-compliance in the operational property portfolio and this needs to be addressed to inform the transition to a smaller, more cost efficient, fit for purpose and ultimately net-zero portfolio.

The closure of CO1 and opening of CO3 together with the changes in working practices and service delivery outlined above mean that it is now appropriate to undertake a review of the Civic Centre to ensure optimum utilisation of the space and effective systems covering health & safety and personal, data and asset security

A Property Board will now be set up to ensure effective decision making, governance and reporting around strategic property matters including asset rationalisation, investment strategy, disposals and engagement with regeneration projects.

An Accommodation Board is also being set up to work with services to ensure effective and properly planned use and reuse of operational assets whilst meeting service needs.

The Property & FM Team has a number of vacancies and is also currently over reliant on a significant number of agency staff. Following the commencement of the new Assistant Director steps are being taken to review the structure and recruit into permanent roles. A challenging recruitment market and current perceptions of the Council's financial position present a risk to achieving this.

The Council also owns and manages a portfolio of investment properties. A review of whether these properties meet the current financial, economic and social priorities of the Council and Borough is overdue. Additional resource will be required in the short term to do this and this should be carried out alongside the development of a Property Investment and Investment Management Strategy.

Properties in the Investment portfolio may be affected by the Minimum Energy Efficiency Standards (MEES) which require that no property with EPC ratings of F or G cannot continue to be leased after 1 April 2023. It is important that Council has a clear understanding and the buildings in its portfolio that may not comply. A significant number of properties still need to be assessed and this will require additional resource. Penalties of between 10 and 20% of the properties rateable value may be applied in the event of breaches.

Fraud - Risk 20

(Rating: 12 Critical/Likely)

The Counter Fraud and investigation (CFI) department, under Thurrock Council, 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 past years (FY20/21) 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 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 dept 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 on a daily basis, 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 on a regular occurrence and must be brought into the risk faced by the council. CFI have been approached by various councils who have fallen victim to £1m+ mandate frauds.

CFI continues to run 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 22b

(Rating: 12 Critical/Likely)

An up-to-date Local Plan is the main way that councils set their planning policies. Previous planning policy documents that have expired do not carry the same weight when it comes to deciding the outcome of a planning application. Without an up-to-date Local Plan, councils can lack the policies they need to prevent inappropriate or damaging development in their area.

In 2014 Thurrock Council committed itself to preparing a new Local Plan. This Plan will set out the planning strategy and priorities for the area and covers issues such as where new housing should

be built, what type of homes are needed, and what additional infrastructure will be required to accommodate those homes. It can also designate land for different purposes, such as residential or industrial, and can give protection from development to open and green spaces.

The new plan will set out a clear strategy for the council area, and for the different communities that make up that local authority. Rather than having to take a fragmented piecemeal approach to each individual development, a up to date Local Plan provides structure and represents a more coordinated and holistic approach to planning and managing growth.

Policies and allocations within the emerging plan will apply to development schemes being promoted by private individuals, businesses and organisations as well as schemes being put forward by the council and other public sector organisations.

Preparing a Local Plan in an area such as Thurrock can be very complex as there are lots of competing land pressures (balancing the need for new homes, against economic growth and the need to protect and enhance green infrastructure assets), several Nationally Significant Infrastructure Projects which have the potential to come forward or commence within the Plan Period and potential changes to the national planning system. For a Plan to be successful and to appropriately balance these competing pressures we need to ensure that the plan making process is supported by robust evidence and that all key stakeholders including locally communities have been given appropriate opportunities to feed into and shape the Plan.

Housing Needs and Homelessness - Risk 3

(Rating: 12 Substantial/Very Likely)

The C-19 pandemic saw a ban on evictions and the closure of Courts which, having reopened, are now clearing the backlog. There is a nationwide increase in Evictions of 158% according to Govt statistics. The current inflationary pressures and supply side issues detailed in the risk have seen more Thurrock residents accruing rent arrears and facing eviction with all economic indicators suggesting this will continue throughout 22/23. Neighbouring Authorities (particularly London LAs) are placing individuals and families in high volumes further saturating the Private Rental Sector market and driving up prices. Landlords are evicting for rent arrears and to achieve higher rents (above Local Housing Allowance) on their units. Landlords are insisting on large incentive payments, circa £3-5k, to grant an assured shorthold tenancy to someone on means tested benefits without a guarantor.

In the final year pre-HRA17 (2017-18), 1395 households approached the council for assistance with homelessness. The numbers of households approaching the council has been consistently higher since, with 1638 households approaching in 2018-19, 2026 households approaching in 2019-20, 1823 households approaching in 2020-21 and 1821 households approaching in 2021-22. This represents a 30% increase in approaches since the HRA17 was introduced, and the number of approaches is likely to have been higher had it not been for the action taken to protect renters during the COVID-19 pandemic. Through Q1 2022/23, 495 households approached the council for assistance with homelessness – this represents the most Q1 approaches since 2019/20 (494).

One of the most common reasons for homelessness in Thurrock remains the termination of an assured short hold tenancy. These most marked trend is for these evictions from assured shorthold tenancies are driven not by rent arrears or any other ‘tenant fault’ grounds, but by the landlord opting to evict the current tenant and re-let the property at a higher rent for the reasons set out above.

Thurrock’s strategic geographical location (adjacent to London with excellent transport links) makes it an affordable and desirable area. The lower quintile housing market value is a realistic housing option when compared to London. As such, and in the light of London’s scarce housing affordability, moving to Thurrock is increasingly an option which families now living in London are considering.

The Council’s Homelessness Prevention and Rough Sleeping Strategy represents an ambitious approach rooted by the fundamental principle that homelessness is not simply a housing issue, but is instead a complex social challenge requiring true collaboration to tackle effectively. A Homelessness Partnership Board has been established which aims to achieve the key strategic aims included within the Strategy document. These will be reached having a jointly developed and owned action plan, where successful outcomes will be delivered by leveraging the collective knowledge, experience, influence and expertise of the range of board members and their

respective organisations.

Work is ongoing to reduce the use of, and thereby costs of, Temporary Accommodation (TA) in the private rented sector however the use of the council's own stock for temporary accommodation will have a detrimental impact on the availability of properties to applicants on the Housing Register. Housing Solutions are working with homeless households and private landlords to secure longer term private sector tenancies by incentivising landlords.

Last year Housing had a business case approved which utilised 'Right to Buy' receipts, combined with HRA prudential borrowing, to purchase properties in line with need. These were initially used to move people on from expensive nightly purchase TA into units incorporated into tenancy managements general needs stock. Further units were purchased which are to be used as 'Furnished Lets' as a cost-effective way of providing our own TA and maintaining homeless households within Thurrock. There is a new business case being considered under the 'transformation plan' to further expand this project.

Cost of Living Fuel Poverty - Risk 7

(Rating: 12 Substantial/Very Likely)

The Authority's ability to successfully manage the effects of the cost of living increases locally will be re-evaluated and overseen by groups such as the corporate fuel poverty group. Overall, the ability of service users to deal with this issue is a challenge and it is noted that Council workers increasingly have to provide higher levels of support to a wide range of claimants and people affected.

We are taking a wide range of actions to mitigate the risk as noted in the management action plan for the risk. We continue to work with Sanctuary Housing to provide appropriate support to tenants who may be experiencing hardship. Financial Inclusion Officers are tasked with dealing with all new claims to Universal Credit and complex or amended circumstance cases.

Major Projects (Place Delivery) - Risk 12

(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 capability. 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.

Investing in Growth - Opportunity 23

(Rating: 16 Exceptional/Very Likely)

The Council has successfully secured significant amounts of Local Growth Fund, Getting Building Fund and other funds such as a £1.2m allocated under the UK Shared Prosperity Fund (Core) and £1.1m under the UKSPF (Multiply – Skills) to directly deliver projects and programmes that benefit local residents and businesses directly or through investment infrastructure and programmes. 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. A formal decision from Government on Thames Freeport Business Case is expected in November / December 2022. The Freeport presents an opportunity to support projects through retained business rates to further invest in growth opportunities and support local communities in Thurrock, aligned to wider Thames Freeport objectives – levelling up and skills; innovation and net zero; and trade and investment.

Backing Thurrock Strategy & Action Plan - Opportunity 24 (Rating: 12 Exceptional/Likely)

Backing Thurrock strategy and action plan 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 and monitoring arrangements for the strategy are in place. Successes to date include delivery of COVID grants programme (£35m implemented); secured and implemented Welcome Back Fund and Community Renewal Fund projects and programmes; delivered Thurrock Enterprise Week; implementation of LoCASE and CLLD programmes; securing cultural development funding for Thameside Theatre and HHPP; and delivered Thames Freeport bid and business cases to support economic growth and regeneration / levelling up across Thurrock.

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

Good progress continues to be 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 12 to reflect delivery in year.

- 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

A13 Widening Scheme - Risk

Work complete to widen the A13 and the road open to traffic from 01/05/2022 and therefore the risk relating to the capacity to deliver the project no longer appropriate, and the item removed from the register.

Delivery of MTFS 2021/22 to 2023/24 - Risk

Item for 2021/22 managed, removed from register and replaced by new risk for the Medium-Term Financial Strategy 2022/23 - 2024/25, see new risk 25.

Impact of Coronavirus - Risk

Focus moved from response to recovery and living with COVID and therefore the risk relating to the Council failing to respond or deal with the situation no longer applicable and the item removed from the register.

Pay Review, Phase 2 (Allowances) - Risk

Majority agreement (2 of the 3 Trade Unions) obtained as of 01 July 2022 and therefore the ongoing risk to the Council of the impact of the review reduced. Item removed from the register.

Treasury Management & Investment Strategy - Opportunity & Risk

The Council's investment strategy has been paused for new activity and the opportunity removed from the register. The Government has raised concerns around the Council's investment activity, the level of external borrowing and the financial/commercial risks facing the authority and put in place an intervention package. Essex County Council have been commissioned to oversee the management of the Council's financial resources/affairs and to support the development and implementation of plans to manage the situation. Investment risk incorporated in and replaced by new risk item/management action plan for the Medium Term Financial Strategy 2022/23 - 2024/25, see new risk 25.

- 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 28 September 2022 and Performance Board representatives 09 September 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,**
Corporate Governance Lawyer and 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 and Equalities

The management of risk and opportunities provides an effective mechanism for monitoring and addressing 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 statutory equality duties, specifically, the Equality Act 2010 and Public Sector Equality Duty.

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, July 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:

Andy Owen
Corporate Risk and Insurance Manager