

Meeting: Audit Committee

Date: 26th July 2023

Wards Affected: None

Report Title: Torbay Council's Risk Management Update Report (1 of 3 for 2023/24)

Is the decision a key decision? No

When does the decision need to be implemented? N/A

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1. Introduction

- 1.1 This report is provided to members to update them on the Council's current risk position and risk management arrangements. It is 1 of 3 risk reports that will be presented to Audit Committee for the period 2023/24.
- 1.2 Throughout 2022/23 the Council's Performance and Risk Manager has been working with the Devon Audit Partnership Manager on implementing a series of actions to improve the Council's approach to its risk management arrangements.
- 1.3 The Council has all its key documentation in place which can be found on the Risk Management page on the intranet. Our risk policy and framework documents set out our risk objectives, priorities and processes.
- 1.4 From 1st April 2023, we went live with our risk management software SPAR.net. SPAR.net is the mandatory software system staff in the Council use to record, update and review the Council's strategic, corporate and service risks. Programme and contract risks are held on separate registers.
- 1.5 The Council uses a 5 x 5 risk matrix to score its risks, meaning our maximum score for a risk could be is 25. All risks that have a mitigated risk score of 16 or above (therefore considered to be high or very high risk for the Council) are detailed in Appendix A of this report.
- 1.6 The Council's Risk Management Policy includes a description of the Roles and Responsibilities in relation to risk management. In respect of Cabinet and Audit Committee, the wording says:

"The Cabinet members and members of Audit Committee are to ensure the Council has risk management processes in place and these are carried out proportionately and effectively."

In practical terms it is expected that Cabinet would have oversight of the risks which are relevant to their areas, with Audit Committee focusing on overall processes and effectiveness of the Council's risk management.

2. Risk Overview (as at 11th July 2023)

- 2.1 The Council currently has 8 Strategic Risks and 52 Corporate Risks appearing on its risk registers.
- 2.2 The 8 Strategic Risks all have **unmitigated** scores of 16 or above. As at the time of drafting this report, 5 have **mitigated** scores of 16 and above.
- 2.3 31 of the 52 Corporate Risks have **unmitigated** scores of 16 or above. 15 of these remain as having **mitigated** scores of 16 and above.
- 2.4 Risks that have scores of 16 or above highlight that there is a probability that is likely/almost certain that there will be major or critical impact on the Council. Below are the risk matrixes for the strategic and corporate risk registers. They show the number of risks that appear for each score.

Risk Matrix - Mitigated Strategic Risks as at 11 July 2023

	1 - Rare	2 - Unlikely	3 - Possible	4 - Likely	5 - Almost certain
5 - Critical	0	0	0	3	0
4 - Major	0	0	2	0	2
3 - Moderate	0	0	0	1	0
2 - Minor	0	0	0	0	0
1 - Insignificant	0	0	0	0	0

Risk Matrix - Mitigated Corporate Risks as at 11 July 2023

	1 - Rare	2 - Unlikely	3 - Possible	4 - Likely	5 - Almost certain
5 - Critical	0	7	3	10	0
4 - Major	0	5	10	4	1
3 - Moderate	1	1	6	3	1
2 - Minor	0	0	0	0	0
1 - Insignificant	0	0	0	0	0

Strategic Risks (mitigated 16 or above)

Code	Risk Title	Last Mitigated Score
ST01	Adult Services Delivery	20
ST02	Mitigating the local effects of Climate Change	20
ST03	Failure to have good economic growth that allows us to address the needs of the most vulnerable.	20
ST04	Failure to set a robust budget and medium term resource plan	20
ST05	Failure to supply sufficient housing for Torbay's needs	20

Corporate Risks (mitigated 16 or above)

Code	Risk Title	Last Mitigated Score
CP48	Failure to deliver town centre regeneration projects	20
CP45	Failure to effectively and efficiently deliver the Capital Programme	16
CP46	Effective Housing delivery	20
CP47	Effective delivery of Economic Growth Strategy	20
CP41	Failure to collect, or loss of, income in particular council tax and business rates	20
CP42	Failure to have adequate business cases and option appraisals in place for key decisions	20

CP44	Failure to meet grant conditions such as Town Deal Funding	20
CP06	Failure for our wholly owned companies to comply with H&S legislation.	16
CP05	Failure to comply with Health & Safety legislation	16
CP14	Delivery of SEND	20
CP18	Demand on services outstrips resource and budget	20
CP15	Failure to stabilise the budget for the Higher Needs block	20
CP17	Placement sufficiency	20
CP19	Recruitment and retention Of Social Workers	20
CP32	Increased homelessness and insufficient temporary accommodation	16

3. Risk Reviews

3.1 At the time of writing this report, all risks appearing on the Council's strategic and corporate risk registers have been reviewed in accordance with the timescales set out in our risk framework.

4. Emerging Risks

4.1 Since going live with the Council's new risk processes, Directors are embedding risk conversations into their DOM, SLT, Directorate and Managers 1 to 1 meetings. Recent conversations have highlighted emerging risks. Risk forms are currently being completed for each of the risks bulleted below and these will drop into SPAR.net and appear on the corporate risk register over the coming weeks.

- Discretionary Housing Payment Budget - Insufficient to Meet Demand
- Failure to effectively maintain the Council's assets & estate
- TorVista failing to effectively deliver the Council's housing needs
- Failure to meet expected performance levels within the Development Management Services (including enforcement)
- Delivery of Statutory Harbour Authority functions
- Delivery of satisfactory beach and coastal services
- Failure to run effective Youth Trust Services post transfer
- Failure to meet Care Act 2014 section five

5. Recommendation(s) / Proposed Decision

(i) That Audit Committee note the report and comment on any concerns relating to the risks in Appendix A and B.

Appendices

Appendix A: Strategic Risks Detailed Report (scoring 16 and above) – 11th July 2023

Appendix B: Corporate Risks Detailed Report (scoring 16 and above) – 11th July 2023

Appendix C: Risk Impact And Probability Guide

Background Documents

Report clearance:	This report has been reviewed and approved by:	Date:
Chief Executive	Anne-Marie Bond	11/07/2023
Monitoring Officer	Amanda Barlow	11/07/2023
Director Of Finance Officer	Malcolm Coe	11/07/2023
Director Of Corporate Services	Matthew Fairclough-Kay	11/07/2023