

# TONBRIDGE & MALLING BOROUGH COUNCIL

## CABINET

03 June 2020

### Report of the Management Team

#### Part 1- Public

#### Executive Non Key Decisions

#### 1 UPDATE OF THE STRATEGIC RISK REGISTER

**Cabinet is provided with an update of the Strategic Risk Register in the light of the coronavirus pandemic. Members are asked to note and acknowledge the escalation of a number of key risks to RED as a consequence of this.**

##### 1.1 Introduction

- 1.1.1 The Risk Management Strategy sets out the Council's risk management objectives and details the roles and responsibilities of officers, Members and the Council's partners in the identification, evaluation and cost-effective control of risks.
- 1.1.2 The Council's risk management arrangements are designed to ensure that risks are reduced to an acceptable level or, where reasonable, eliminated thereby safeguarding the Council's assets, employees and customers and the delivery of services to the local community. Examples of risk include budget deficit, cyber/data loss, environmental and reputational.
- 1.1.3 The current Risk Management Strategy was recommended by the Audit Committee in January of this year and subsequently approved by Cabinet followed by Full Council in February 2020.
- 1.1.4 As Members will know, on 11 March, the World Health Organisation (WHO) officially declared the outbreak of COVID-19 a pandemic. At its extraordinary meeting on 19 May, Cabinet received a report entitled '*Responding to the Coronavirus Emergency*' setting out a strategic overview of the Council's response to the national emergency, the impacts on service delivery, the introduction of priority initiatives, financial impacts and a framework for the development of a future recovery plan.
- 1.1.5 The impact of the pandemic to the Council's services and the recovery from it, has been captured in the Council's Strategic Risk Register. Whilst the Register is reported to the Audit Committee on a regular basis, given the significant impact of the pandemic to the Council, this update is brought to Cabinet.

## 1.2 Strategic Risk Register

- 1.2.1 The Strategic Risk Register (SRR) is considered to be a 'live' document and is updated, as often as is required, by the Management Team. An update of the current strategic risks, which are understandably dominated by the coronavirus pandemic, and how they are being managed as at the time of writing is appended at **[Annex 1]**. Members are also referred to the separate report on this agenda from the Chief Executive entitled "Corporate Strategy – First Year Addendum".
- 1.2.2 **Members are asked to note both the addition and updates since the last iteration of the Register, which are significant in the current circumstances.**
- 1.2.3 Not surprisingly, the number of risks that have been re-categorised as RED, for the time being at least, has increased. These are now:
- 1) Financial position/budget deficit
  - 2) Brexit Impact and Economic uncertainty
  - 3) Corporate Strategy and Savings and Transformation Strategy
  - 4) Waste Services (this was previously categorised as RED, so no change)
- 1.2.4 As we begin to develop plans in response to the pandemic, it is hoped that the risk level can be reviewed again.

## 1.3 Legal Implications

- 1.3.1 There is a Health and Safety requirement for effective risk management to be in place and the Strategy supports this requirement.
- 1.3.2 There is also a requirement in the Accounts and Audit Regulations that accounting control systems must include measures to ensure that risk is appropriately managed.

## 1.4 Financial and Value for Money Considerations

- 1.4.1 Financial issues may arise in mitigating risk which will be managed within existing budget resources or reported to Members if this is not possible.
- 1.4.2 Effective risk management arrangements make a positive contribution to ensuring value for money is provided in the delivery of services.
- 1.4.3 An earmarked Reorientation/ Post Emergency Reserve of £200,000 is being established - see recommendation in Revenue and Capital Outturn 2019/20 report elsewhere on the agenda – to assist the Council in some of its recovery activity. This may prove to be insufficient, and will be kept under review.

- 1.4.4 In general the Council maintains a prudent level of reserves to provide a safety net for unforeseen or other circumstances. The Robustness of Estimates and Adequacy of Reserves statement that the Council's Chief Financial Officer is required to produce under the local Government Finance Act 2003 to support Members in considering the Budget Setting report, lists examples of why the Council needs to retain a minimal level of reserves. The Council has resolved to hold a minimum level of general revenue reserve of £3 million in order to provide for a host of potential financial and operational risks.

## **1.5 Risk Assessment**

- 1.5.1 Sound risk management arrangements aid the Council in effective strategic decision-making. The Council's approach to risk should be reviewed on a regular basis to ensure it is up to date and operating effectively.

## **1.6 Equality Impact Assessment**

- 1.6.1 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

## **1.7 Policy Considerations**

- 1.7.1 Risk management is relevant to all areas of the Council's business.

## **1.8 Recommendations**

- 1.8.1 Members are asked to note and acknowledge the escalation of a number of key risks to RED as a consequence of the coronavirus pandemic.

Background papers:

contact: Sharon Shelton

Nil

Julie Beilby  
Chief Executive

Sharon Shelton  
Director of Finance and Transformation  
For Management Team