

Public Document Pack



**TRAFFORD
COUNCIL**

AGENDA PAPERS MARKED 'TO FOLLOW' FOR ACCOUNTS AND AUDIT COMMITTEE

Date: Tuesday, 26 March 2019

Time: 6.30 p.m.

**Place: Committee Rooms 2 and 3, Trafford Town Hall, Talbot Road, Stretford,
M32 0TH**

A G E N D A	PART I	Pages
9. STRATEGIC RISK REGISTER		1 - 20

To consider a report of the Audit and Assurance Manager.

SARA TODD
Chief Executive

Membership of the Committee

Councillors B. Brotherton (Chair), E. Patel (Vice-Chair), C. Boyes, J. Dillon, P. Lally, A. Mitchell, J. Slater and Platt.

Further Information

For help, advice and information about this meeting please contact:

J.M.J. Maloney, Democratic and Scrutiny Officer,
Tel: 0161 912 4298
Email: joseph.maloney@trafford.gov.uk

This agenda was issued on Thursday 21 March 2019 by the Legal and Democratic Services Section, Trafford Council, Trafford Town Hall; Talbot Road, Stretford, Manchester, M32 0TH

WEBCASTING

This meeting will be filmed for live and / or subsequent broadcast on the Council's website and / or YouTube channel <https://www.youtube.com/user/traffordcouncil>
The whole of the meeting will be filmed, except where there are confidential or exempt items.

If you make a representation to the meeting you will be deemed to have consented to being filmed. By entering the body of the Committee Room you are also consenting to being filmed and to the possible use of those images and sound recordings for webcasting and/or training purposes. If you do not wish to have your image captured or if you have any queries regarding webcasting of meetings, please contact the Democratic Services Officer on the above contact number or email democratic.services@trafford.gov.uk

Members of the public may also film or record this meeting. Any person wishing to photograph, film or audio-record a public meeting is requested to inform Democratic Services in order that necessary arrangements can be made for the meeting. Please contact the Democratic Services Officer 48 hours in advance of the meeting if you intend to do this or have any other queries.

TRAFFORD COUNCIL

Report to: Accounts and Audit Committee
Date: 26 March 2019
Report for: Information
Report of: Audit and Assurance Manager

Report Title

Strategic Risk Register 2018/19 (March 2019 update)

Summary

The Accounts and Audit Committee is asked to consider this report which provides an update on the strategic risk environment, setting out developments relating to the management of each of the Council's strategic risks.

Recommendation

The Accounts and Audit Committee reviews this report.

Contact person for access to background papers and further information:

Name: Mark Foster – Audit & Assurance Manager. **Extension:** 1323
Mike Sullivan – Senior Audit & Assurance Officer **Extension:** 1564

Background Papers:

None

1. **INTRODUCTION**

- 1.1 The Council's Strategic Risk Register (SRR) contains the strategic risks the Council is likely to face in achieving its high level corporate objectives.
- 1.2 In accordance with the Council's Risk Management Policy, the Corporate Leadership Team (CLT) provides regular periodic updates on the strategic risk environment and in particular performance in managing the specific risks incorporated within the SRR.
- 1.3 This report is based on information provided by risk owners in February 2019 for each risk unless otherwise stated.

2. **THE STRATEGIC RISK ENVIRONMENT – RISK EXPOSURE AND PERFORMANCE MANAGEMENT**

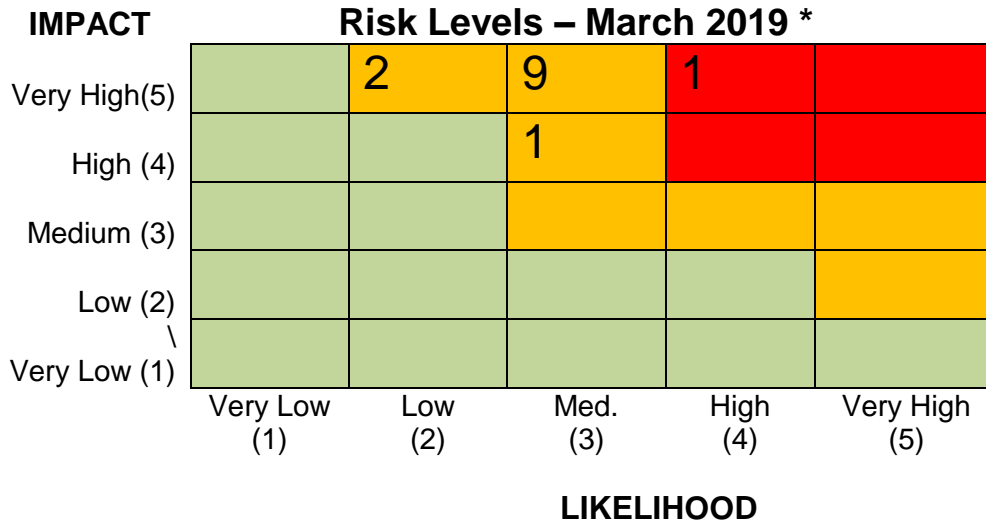
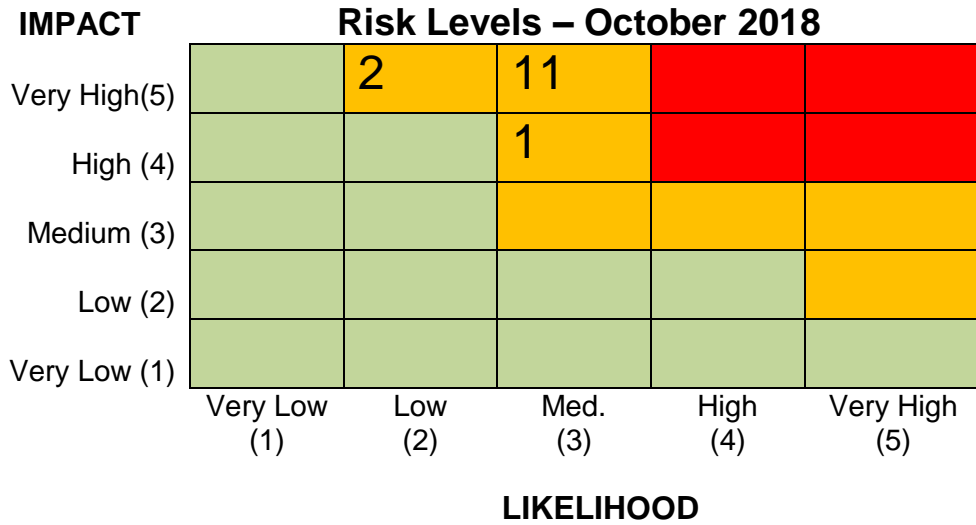
- 2.1 The Council continues to review and monitor its strategic risks. Given the challenges faced by the Council going forward, it is acknowledged that it will need to continue to review its approach to risk and risk management as risks change and potentially higher risks arise. Progress has continued to be made in addressing the strategic risks as detailed in this report.
- 2.2 The Audit & Assurance Service liaised with CLT and senior managers to agree the risks to be included in the strategic risk register and provide updates on risks under their remit, including progress in managing these risks. Section 3 of this report contains an update on the strategic risks identified. (The Accounts and Audit Committee previously received an update in October 2018).
- 2.3 The risk chart on page 4 shows an analysis of the current strategic risks. The chart analyses the levels of risk exposure in terms of impact and likelihood. The number of strategic risks for each risk level is shown. There are now 14 strategic risks.
- 2.4 For each risk listed in Section 3, this includes the relevant Executive Portfolio and Service Directorate, reflecting the changes in these during the year.
- 2.5 Since the previous update:
 - One new risk has been added in relation to the risk of the Council failing to adequately prepare for the possible impact of the UK leaving the European Union. (See Risk 1 in Section 3).
 - Strategic Risk 1 in the October 2018 update relating to the integration between Trafford Council and Trafford CCG failing to meet its objectives - Given developments in this area, including the appointment of a separate Accountable Officer for Trafford CCG, this risk has been removed from the strategic risk register.

The risk exposure score for the following risk has increased:

- Joint Venture Partner (SR11) increased from a medium risk score of 15 to a high risk score of 20.

2.6 The timing of future Strategic Risk Register update reports to CLT and the Accounts and Audit Committee in 2019/20 will be planned as part of agreeing the Accounts and Audit Committee work programme for the coming year.

Comparison of Risk Levels October 2018 and March 2019





*** Note: Strategic Risk 1 is not included on the above chart - risk score to be confirmed.**

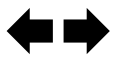
3. **Strategic Risks (March 2019)**


Red	Amber	Green
-----	-------	-------


<i>Risk</i>	<i>Strategic Risk Title / (Directorate / Portfolio)</i>	<i>Risk Score / Level / Direction of Travel</i>	<i>Management of Risk - Direction of Travel **</i> <i>(Refer to the key at the end of the report for a detailed explanation)</i>	<i>Comments</i>
1	<p>Failure to prepare for Brexit, including a 'no-deal' scenario.</p> <p>(Authority-wide)</p>	(Score to be confirmed)	N/A	<p>The Council is considering the risks from failing to prepare for Brexit, including a 'No Deal' scenario. Areas of risks could include a slowdown in growth of business rates income, reduction in inward investment, increasing unemployment, shortage of staff in health and social care/wider skills shortages; and reductions in regional funding. Overall it is likely that the wider economy of the borough, and Council service provision, would be adversely affected by a 'No Deal' Brexit.</p> <p>The Council's Brexit co-ordination role has been formalised with the Corporate Director for Place acting as the Senior Responsible Officer for monitoring its impact and reporting to CLT. In addition, an internal project group has been established to provide the cross-Council mechanism to plan, coordinate, monitor and mitigate against the impacts of Brexit on the Council. It will also work with key stakeholders to help deal with the impacts of Brexit on the economy of the borough as a whole.</p> <p>As an example of preparations, Trafford Council Adult Social Care have links with:</p> <ul style="list-style-type: none"> • National/Regional Brexit Contingency Planning which includes attendance at relevant meetings. • NHS National/Regional Brexit Contingency Planning which includes attendance at relevant meetings. • Trafford Clinical Commissioning Group (CCG) Business Continuity Planning (BCP). • Trafford Council BCP. • North West Association of Directors of Adult Social Services (NWADASS). <p>They are also progressing the implementation of the following:</p>


				<ul style="list-style-type: none"> • Development of an outline plan across Adult Social Care (ASC) & Commissioning underway, including consideration of: <ul style="list-style-type: none"> ▪ the capacity of ASC to meet other demands; ▪ reliance on EU funding; ▪ business and economy impacts; ▪ workforce and skills; ▪ procurement, supplies and services, and; ▪ statutory duties and practice implications. • Major focus on Workforce and Skills, including impact of Brexit on Trafford Council ASC workforce, commissioned workforce, informal carers. • Distribution of Workforce Survey developed by Liverpool Authority across commissioned services. • Making provision for workforce issues related to Brexit. • Development of advice and information for ASC staff and service users. • Consideration of longer term impact of Brexit on ASC.
2	<p>The Council does not fulfil its statutory duties and all accompanying policy requirements in terms of identifying and safeguarding vulnerable children.</p> <p>(Children's Services / Children's Services).</p>	<p style="text-align: center;">15 Medium</p> <p>(No change).</p>		<p>There is a Sustainability Process in place to change delivery models within Children's Social Care. Child Protection numbers have now decreased slightly in Q4 2018/19 to a more manageable level. In Q3 we implemented a new model of CP conferences which will affect initially numbers on a plan. Children in Care numbers continue to be higher than our statistical neighbours, but we remain stable within the wider context of other LA's nationally seeing a significant rise. We have worked hard to retain and develop our workforce offering strong training and development opportunities during the last year.</p> <p>We have additional investment from DfE to innovate and have two key projects reducing the need for adolescents to come into care.</p> <p>Our temporary Multi-Agency Review and Improvement Team as part of our Sustainability programme is helping the service review existing practice and drive improvements to our approaches to improve outcomes and significantly contributed towards our positive Ofsted outcome.</p> <p>A new set of Inspection Frameworks now apply to Children's Services. We will now be subject to</p>


				<p>three different unannounced inspection processes over the next three years. The focussed 'visit' from Ofsted in July 2018 was positive and praised strong leadership at council level and strong multi agency working.</p> <p>There are also changes for both the Children's and Adults Safeguarding Boards with a Joint Board Chair for both children and adults. The Safeguarding Board staff team have been through a formal Consultation to make them into one team and gaps are now being recruited to.</p> <p>As part of our Sustainability Programme we continue to see the benefits from our Review and Improvement Team which support the service review existing practice and drive improvements to our approaches to improve outcomes for children.</p> <p>Measures:</p> <ul style="list-style-type: none"> • Monthly meetings of the Director of Children's Services Safeguarding Group. • Biannual safeguarding children assurance meetings with the Chief Executive, Leader and Executive Member. <p>Rigorous Performance Management and Quality Assurance through robust leadership processes.</p>
3	<p>Demand for school places underestimated and/ or additional school places are not delivered to satisfy increased demand.</p> <p>(Children's Services / Children's Services).</p>	<p>15 Medium (No change).</p>		<ul style="list-style-type: none"> • The demand for primary and secondary school places continues to be monitored and capital resources allocated to ensure sufficient places are provided to meet our statutory duty. • Public consultation for how SEND Provision Capital Funding allocation of £1.75m for 2018-2021 can be spent to create new places or improve facilities in existing provision has been completed focusing on 6 schemes in 2018/2019. Another consultation is due to take place to determine the 2019/2020 schemes from March 2019.


4	<p>Continuing uncertainty regarding the Council's medium term financial position given the reliance that exists on support from Central Government, cost pressures within the existing budget and major changes that are planned concerning the reform of local government funding (Fair Funding) and the review of the business rate retention system with a planned full reset of business rate baselines expected from April 2020.</p> <p>(Finance & Systems / Finance).</p>	<p>15 Medium</p> <p>(No change).</p>		<ul style="list-style-type: none"> • The 2018/19 budget was agreed on 21st February 2018, the Council agreed the 2018/19 budget of £164.25m. • The latest in-year budget monitoring suggests overall a small underspend by year end. Within the budget there still exists significant pressure on demand led social care services which have been offset in year through various corporate savings. The annual savings target set for 2018/19 of £9.97m is estimated to be exceeded by £0.57m. • The 2019/20 budget of £169.94m was agreed on 20th February 2019. • The funding gap addressed for 2019/20 as part of the budget proposals presented to Council on 20 February 2019 was £13.44m caused by overall cost pressures of £12.55m and funding reductions of £0.89m have contributed to the gap and these include additional client demand pressures in social care services. • The budget gap in 2019/20 was met by a combination of new funding, additional income and new savings including:- <ul style="list-style-type: none"> ○ A 3.99% increase in the council tax (2.99% general increase and 1% for adult social care) £3.78m; ○ Income from strategic investments and the Asset Investment Strategy £3.13m; ○ Use of Budget Support Reserve £2.80m; ○ Other £0.15m, and; ○ New and continuing savings programmes of £3.58m. • The next few years is likely to give rise to significant turbulence due to national changes in the way resources are distributed to local government from 2020/21 as well as significant changes to the business rate retention system which will move to a 75% retention scheme from 2020/21. The volatility this could cause is steering the Council's reserves strategy to provide cushion in the event that the council's baseline funding or previously retained growth in business rates income is reduced. • The current budget gap for 2020/21 and 2021/22 is £15.71m and £12.81m respectively although a number of potential mitigating factors exist:- <ul style="list-style-type: none"> ➢ Government are currently consulting on transitional arrangements which, whilst these will unwind over a period of time, could protect the Council from a sudden and
---	---	--	---	--


				<p>significant fall in resources.</p> <ul style="list-style-type: none"> ➤ The Council's current budget contains a modest level of discretionary services which will be reviewed during 2019 as well as fees and charges ➤ Comprehensive Spending Review and the social care green paper could both signal the trajectory of funding in future years and specifically funding for social care. ➤ Population growth in Trafford is projected to rise faster than the national average which whilst meaning the pressure on Council services could increase is likely to mean improved levels of Government funding through the new formula as proposed which has its basis in population numbers.
5	<p>Loss / absence and retention of senior managers to the organisation.</p> <p>(People / Equalities and Partnerships).</p>	<p>15 Medium (No change).</p>		<ul style="list-style-type: none"> • Strengthening of the senior leadership team - introduction of new roles at Assistant Director level and new appointments will be made to Corporate and Directorate level roles. • A number of interim internal 'act-up' arrangements are in place, again aiding succession planning, pending permanent appointments while we transition to new delivery models. • Leadership development & coaching is available for all managers/senior managers across the organisation to support them in leading and engaging their staff through transformational change. • A succession planning strategy is being rolled out that formalises an approach to ensure that key skills are not lost to the Council, whilst up-skilling staff to take on higher graded roles. Successors will be identified at senior manager level and targeted development initiatives provided to ensure that we are equipped to flex our workforce to react to resource and skills gaps. Each successor will also have access to a coach. • Leadership behaviours are being developed in line with Leading GM expectations and Trafford's new vision. • Pro-active attendance management strategy developed and will be rolled out across Trafford with refreshment training for managers. • A Health & Well-being strategy is in place with actions to maintain and improve employee



6	<p>Trafford Council must ensure that information held about citizens, employees, partners, contractors, members and organisations in Trafford is safe in their hands. To be able to assure its partners and the public that this is the case they need to demonstrate that they are handling personal/ sensitive and commercial data securely both in technology and physical terms. They also need to ensure that 3rd parties acting on their behalf are handling their data sets in accordance with Trafford Council's policies and procedures.</p> <p>There are currently compliance issues to be addressed around records management (retention of both physical and electronic records) and subject access requests. In the case of the latter there is an outstanding backlog of subject access requests awaiting response covering Children's Services.</p> <p>Together, these raise the following risks –</p>	<p style="text-align: center;">15 Medium</p> <p style="text-align: center;">(No change).</p>		<p>morale and well-being.</p> <ul style="list-style-type: none"> • Citizens and businesses have a right to expect data held about them to be treated in a secure manner and only shared on a need to know basis. • Employees, Partners, Contractors and members have the right to expect data held about them to be treated in a secure manner. • Trafford Council have a responsibility to protect their data and information. • The Council has a dedicated Corporate Information Governance (IG) team which provides advice and guidance in relation to compliance with Data Protection and Freedom of Information legislation. It also investigates data security breaches and reports these to the ISGB and quarterly to CLT, providing services concerned with recommendations to improve their working practices. The IG team structure has been reviewed because of increased workload and additional resource has been allocated to the team. • The team now comprises of: IG Manager (Council), IG Manager (CCG), 4x Information Governance Officers, 1x support officer (joined the team 26 February 2019). The support officer is a dedicated resource to support the Information Governance Officer who has responsibility for handling Children's Services subject access requests. The role was created in recognition of the demanding caseload in this area and it is anticipated will help in efforts to address the outstanding volume of cases. • The Council has an Information Security Governance Board (ISGB), which is comprised of officers from key service areas across the council who "champion" good information governance practice within their Directorates. The ISGB has terms of reference which provide a direct reporting line to CLT, underlining the importance of information governance and information security within the Council. The ISGB takes the corporate lead on all Data Protection related matters and in progressing the embedding of information governance into the Council's day to day activities. • The Council achieved "reasonable assurance" following a voluntary audit from the Information Commissioner's Office (ICO) in January 2017 but cannot be complacent and, having identified a number of risks, these will feature highly in the ISGB work plan.
---	--	--	---	--


	<p>legal/regulatory (non-compliance with legal requirements), reputational, financial, adverse publicity.</p> <p>(Governance & Community Strategy / Constitutional Reform and Resident Engagement).</p>			<ul style="list-style-type: none"> • Progress has been made and will continue with General Data Protection Regulation (GDPR) implementation activities. • Physical CCG moves will enable closer collaboration with the CCG Information Governance Manager, bringing a holistic approach to addressing information governance matters across both organisations.
7	<p>University Academy 92: failure to implement programme and achieve possible benefits this may bring in terms of regeneration around Stretford and Old Trafford.</p> <p>(Authority wide - Place) / (Investment, Regeneration and Strategic Planning).</p>	<p>15 Medium</p> <p>(No change).</p>		<p>University Academy 92 (UA92) was launched in September 2017 to establish a new model of university by bringing together the best of academia, business and sport. It is a unique collaboration involving the Class of 92, Lancaster University, Microsoft, Trafford College and Bruntwood as well as Trafford Council. Other supporters of UA92 and the regeneration in the Trafford area include Lancashire County Cricket Club and Manchester United Football Club.</p> <p>Trafford Council believe UA92 will help regenerate the area around Stretford and Old Trafford as it presents a fantastic opportunity to revitalise and support local communities to maximise their potential. UA92 aims to create jobs and attract 6,500 students by 2028.</p> <p>This programme comprises of a number of facets including the university campus, student accommodation and Stretford leisure centre. Each of these aspects are being considered individually as well as part of the overall programme. Mitigation arrangements are in place in the event of failure of any part of the programme. For example, Stretford Leisure refurbishment will continue regardless of the university as this is also a community asset.</p> <p>The Executive have approved the Council entering into an options agreement for Westpoint for the provision of student accommodation for year one (and up to three years) and the Council will work to enable the development/provision of new student accommodation.</p> <p>Delivery of the refurbishment of the former Kellogg's building into the new university campus is underway, and is being delivered by the</p>


8	<p>A successful Cyber Security Attack could lead to sensitive data being compromised, denial of access to the Council's computing services or severe degradation or loss of control of those services.</p> <p>(Finance & Systems / Constitutional Reform and Resident Engagement).</p>	<p>15 Medium (No change).</p>		<p>Trafford / Bruntwood Joint Venture.</p> <p>The Council is subject to cyber-attacks on a daily basis but a range of technical solutions and processes are in place to protect Trafford's IT systems and data. The volume and level of sophistication of these attacks is increasing so the Council needs to continuously review and improve how it protects systems and data.</p> <p>There remains a significant risk that the Council's defences could be breached even with effective tools and approaches in place, so it is equally important to ensure the processes for dealing with an attack are effective.</p> <p>Planning has begun on a detailed assessment of the Council's cyber security technical solutions and processes.</p> <p>The assessment will:</p> <ol style="list-style-type: none"> 1. Capture a baseline of the current tools and processes; drawing on a number of existing controls that exist including the recent Penetration Test of the Council's network, and completion of the Data Security and Protection Toolkit for the NHS. 2. Identify a cyber security framework upon which the detailed assessment will be based. The Council will need to determine the best option from the range of frameworks that exist, i.e. ISO27001 is used throughout the UK, National Institute of Standards and Technologies (NIST) (800-53) is a US standard built around public service and is gaining favour in the UK. 3. Undertake a thorough assessment of the Council's tools, processes, and controls against the chosen framework. 4. Consider solutions where the assessment identifies areas for improvement; making the business case for change or investment where appropriate. 5. Implement the agreed improvement plan. <p>In the interim, listed below are some of the existing controls in place:</p> <ul style="list-style-type: none"> • Trafford is actively sharing information about potential cyber threats with partners including the North West Warning, Advice and Reporting Point (WARP) and nationally with the NHS CareCert service.
---	--	---	---	--

				<ul style="list-style-type: none"> • The Network People (TNP) have been procured to provide Trafford Council with specialist security advice to help develop, manage and monitor Trafford's security defences and incident response. • Public Services Network (PSN) compliance is maintained which includes annual vulnerability penetration testing of both the internal and external networks.
9	<p>Failure of the Adult Safeguarding Service.</p> <p>(Adult Services / Adult Social Care).</p>	<p>12 Medium</p> <p>(No change).</p>		<ul style="list-style-type: none"> • The Director of Safeguarding and Professional Development has been recruited to on an interim basis (whilst CR acts up to Director for Children's Services) is in role and the standard of safeguarding for adults and children continues to be managed centrally through this role. • Serious Case Review Panel (Adults) reviewed and in place, has completed several Learning Reviews, a Safeguarding Adults Review (SAR) has been published, more SAR's have now been commissioned and Independent Authors procured. Learning from these processes will be rolled out to staff. Learning review sessions are being delivered to staff across Adult Social Care (ASC). • The process of handling provider notifications is being revised end of October. The notifications will be sent to the Commissioning team giving grater oversight of issues across the care market. • As part of the adult improvement programme all referrals into Screening are immediately risk assessed and Safeguarding referrals are prioritised. Jointly with children's services and Greater Manchester Police (GMP). • There is a discrete Adult Protection Line for members of the public to directly contact social care to raise safeguarding concerns. • There are advanced plans for GMP officers to co-locate with the Screening Team to enhance our response to safeguarding referrals. Daily meetings between the Screening team and the Police are in place. • Mental Capacity Act (MCA) and Deprivation of Liberty Safeguards (DoLS) e-learning available for all staff and use is monitored. • Increased demand presenting at the front door is being managed with additional staff capacity and daily risk management reviews resulting in reduced waiting times. • Member training is in development regarding safeguarding expected to be delivered March

				<p>2019.</p> <ul style="list-style-type: none"> • All deprivation of liberty safeguarding assessments are now allocated immediately due to changes in process and improved staffing arrangements. • Peer review completed with Rochdale safeguarding board .Action plan in place to address agreed areas for improvement. • Additional resources in place January 2019 to complete the applications to the court of protection for community deprivation. arrangements. Tracking of progress on-going. • Changes to management of Screening work, including introduction of written risk assessments resulted in significant backlog reduction. • Revised internal joint Legal and Social Care Coroners process introduced January 2019.
10	<p>Breach of health and safety legislation leading to prosecution under the Corporate Manslaughter Act and other Health and Safety Regulations.</p> <p>(People / Equalities and Partnerships).</p>	<p>10 Medium</p> <p>(No change).</p>		<ul style="list-style-type: none"> • Current Health & Safety Policy and comprehensive arrangements in place. Subject to periodic review as required and available to the workforce via the intranet. • Health and Safety Audit programme in place across all Directorates and schools. This programme includes proactive monitoring of compliance with health & safety law and internal H&S management arrangements. • Policy, arrangements, protocols and guidance for Directorates and schools updated to reflect legislative or organisational changes and any new or emerging risks (in addition, a targeted rolling programme is ongoing). • Health & Safety Unit (HSU) support in the comprehensive assessment and investigation, where required, of health and safety issues or incidents. Facilitates the effective management of risk and statutory compliance. • HSU support in responding to occupational health and workforce referrals to ensure the health, safety and welfare of staff. • Staff consultation processes in place to report and liaise on Health and Safety performance issues. • Competent HSU advisory service with advisors subject to continuing professional development requirements. • Employee Health and Wellbeing Strategy in place which incorporates ill health reduction and mental wellbeing support. • Training calendar in place and online training available to support managers and schools in ensuring staff are competent to undertake

				<p>tasks/role.</p> <ul style="list-style-type: none"> • Arrangements in place for the health and safety assessment of providers/contractors prior to approval and for subsequent monitoring of performance. • HSU engagement in Health, Safety, Welfare and Security issues relating to the Council's Corporate and Let Estate through Corporate Landlord and associated focused audits and reviews.
11	<p>Joint Venture partner fails to deliver services to the required standard or fails to deliver required efficiency savings.</p> <p>(Place / Environment, Air Quality and Climate Change).</p>	<p>20 High</p> <p>(Increase).</p>		<ul style="list-style-type: none"> • Third year of contract completed. Increasing number of service issues identified and public perception remains largely negative. Additional staffing in the client team to ensure effective contract management. • New measures put in place by Amey with additional resources. Independent validation of Key Performance Indicators (KPI). KPIs monitored on a monthly basis, and control and auditing mechanisms reviewed. • Capital programme delivery is currently on target for highways. • KPI Framework for 2018/19 agreed KPI Framework agreement for 2019/20 underway. • Current vacancy for One Trafford Partnership Director being recruited. • Head of Operations and Service Improvement now in post. • Amey Account Director has produced a work programme which includes production of service improvement plans, cyclical plans for all transactional services, health and safety refresh of all risk assessments and methods of working refresh of all business continuity plans to ensure services are maintained so far as reasonably practical in the event of planned or unplanned events in order to maintain public confidence in services and limit reputational damage to both Amey and the Council.
12	<p>The Programme Savings are not delivered in full.</p> <p>(Finance and Systems / Leader).</p>	<p>15 Medium</p> <p>(No change).</p>		<ul style="list-style-type: none"> • Robust governance is in place, with greater scrutiny at theme level, and progress reported through to Corporate Leadership Team (CLT) • A review of programme management is underway that will pick up the interdependencies between the Council and the CCG as well as Place Shaping. • The CLT continue to support understanding of and engagement in the programmes, to secure support for it and to continue to the original plan with minimal disruption. CLT and Senior Responsible Officers work closely to identify risks and dependencies to the projects and




				<p>programme outcomes at the earliest opportunity and identify appropriate mitigations plans.</p> <ul style="list-style-type: none"> • Exceptions to plan are escalated to CLT. 																																																																								
13	Investment Strategy (Finance & Systems / Investment, Regeneration and Strategic Planning).	<p>15 Medium (No change).</p>		<ul style="list-style-type: none"> • An updated Asset Investment Strategy was approved in October 2018 to refocus the approach for acquiring new regeneration and investment assets. • To date the Investment Management Board has committed £174m to a range of investments including the direct purchase of income generating assets in the borough or surrounding districts, provision of senior debt to commercial developers and in direct development opportunities as summarised below. <table border="1" data-bbox="997 697 1562 1285"> <thead> <tr> <th>Asset Investment Strategy</th> <th>2017/18 £m</th> <th>2018/19 £m</th> <th>Total £m</th> </tr> </thead> <tbody> <tr> <td>Total Investment Fund</td> <td>295.00</td> <td>5.00</td> <td>300.00</td> </tr> <tr> <td colspan="4">Activity to date :</td> </tr> <tr> <td>K Site, Talbot Road, Stretford</td> <td>1.24</td> <td>23.62</td> <td>24.86</td> </tr> <tr> <td colspan="4">Acquisitions :</td> </tr> <tr> <td>Sonova House, Warrington</td> <td>12.17</td> <td></td> <td>12.17</td> </tr> <tr> <td>DSG, Preston</td> <td>17.39</td> <td></td> <td>17.39</td> </tr> <tr> <td>Grafton Centre incl. Travelodge Hotel, Altrincham</td> <td>10.84</td> <td></td> <td>10.84</td> </tr> <tr> <td>Trafford Magistrates Court, Sale</td> <td></td> <td>4.30</td> <td>4.30</td> </tr> <tr> <td>Walthew House Lane, Wigan</td> <td></td> <td>13.75</td> <td>13.75</td> </tr> <tr> <td>Committed: Future purchase of a strategic property in Trafford</td> <td></td> <td>23.83</td> <td>23.83</td> </tr> <tr> <td colspan="4">Loan Advances:</td> </tr> <tr> <td>No.1, Old Trafford : Debt financing for residential development</td> <td>3.13</td> <td>(3.13)</td> <td>0.00</td> </tr> <tr> <td>The Crescent, Salford : Debt financing for residential development</td> <td></td> <td>60.80</td> <td>60.80</td> </tr> <tr> <td colspan="4">Development Sites :</td> </tr> <tr> <td>Brown Street, Hale</td> <td></td> <td>6.21</td> <td>6.21</td> </tr> <tr> <td>Total investments</td> <td>44.77</td> <td>129.38</td> <td>174.15</td> </tr> <tr> <td>Balance available</td> <td></td> <td></td> <td>125.85</td> </tr> </tbody> </table> <ul style="list-style-type: none"> • To supplement the “investment pot” previously approved of £300m, proposals have been included in the February 2019 budget report to increase the Fund to £400m to provide headroom for future opportunities. • To date new gross income streams of £5.19m have been identified generating a net return, after debt financing costs, available to support the budget of £1.37m • To mitigate the risks of the approach nationally recognised investment advisors are being used as part of the due diligence process with emphasis placed on securing investments in low risk assets. • Further risk mitigation is being undertaken through the creation of a “Risk Reserve” 	Asset Investment Strategy	2017/18 £m	2018/19 £m	Total £m	Total Investment Fund	295.00	5.00	300.00	Activity to date :				K Site, Talbot Road, Stretford	1.24	23.62	24.86	Acquisitions :				Sonova House, Warrington	12.17		12.17	DSG, Preston	17.39		17.39	Grafton Centre incl. Travelodge Hotel, Altrincham	10.84		10.84	Trafford Magistrates Court, Sale		4.30	4.30	Walthew House Lane, Wigan		13.75	13.75	Committed: Future purchase of a strategic property in Trafford		23.83	23.83	Loan Advances:				No.1, Old Trafford : Debt financing for residential development	3.13	(3.13)	0.00	The Crescent, Salford : Debt financing for residential development		60.80	60.80	Development Sites :				Brown Street, Hale		6.21	6.21	Total investments	44.77	129.38	174.15	Balance available			125.85
Asset Investment Strategy	2017/18 £m	2018/19 £m	Total £m																																																																									
Total Investment Fund	295.00	5.00	300.00																																																																									
Activity to date :																																																																												
K Site, Talbot Road, Stretford	1.24	23.62	24.86																																																																									
Acquisitions :																																																																												
Sonova House, Warrington	12.17		12.17																																																																									
DSG, Preston	17.39		17.39																																																																									
Grafton Centre incl. Travelodge Hotel, Altrincham	10.84		10.84																																																																									
Trafford Magistrates Court, Sale		4.30	4.30																																																																									
Walthew House Lane, Wigan		13.75	13.75																																																																									
Committed: Future purchase of a strategic property in Trafford		23.83	23.83																																																																									
Loan Advances:																																																																												
No.1, Old Trafford : Debt financing for residential development	3.13	(3.13)	0.00																																																																									
The Crescent, Salford : Debt financing for residential development		60.80	60.80																																																																									
Development Sites :																																																																												
Brown Street, Hale		6.21	6.21																																																																									
Total investments	44.77	129.38	174.15																																																																									
Balance available			125.85																																																																									

				<p>through the ring-fencing of an element of the returns and an allowance for debt repayment (in accordance with national regulations). All investments are scrutinised by an Investment Management Board which includes cross-party representation.</p> <ul style="list-style-type: none"> • When evaluating potential opportunities extensive legal and property due diligence is undertaken which places a significant emphasis on security and liquidity and includes for example an assessment of the financial strength of the tenants and market sector, length of unexpired lease, location, asset condition and residual land value. • Each year there will be performance monitoring of each investment to ensure it is still consistent with the investment strategy. In addition an annual valuation will be undertaken to assess the current capital value of the asset and this will be used to determine whether the right level of debt repayment is being made. It is inevitable there will be changes in valuation year on year but the risks of downward movements in value are being mitigated through a diversified portfolio of assets.
14	<p>Failure to complete the Business Continuity (BC) Programme Project, resulting in an increased risk that the Council may fail to deliver Council services in the event of significant disruption.</p> <p>(Authority-wide / Constitutional Reform and Resident Engagement).</p>	<p>10 Medium (No change).</p>		<ul style="list-style-type: none"> • The follow up review of the Internal Audit of the Business Continuity Management process in November 2018 identified there is substantial work still required to progress the previous audit recommendations, nine of which are still in progress and four are yet to be implemented. • The Information & Communications Technology (ICT) Risk Register identifies the lack of robust Disaster Recovery (DR) as a high risk to the Authority. Although the Strategic Risk Register identifies Business Continuity Management as a medium risk, as ICT is considered the critical point of failure for the majority of service areas, Business Continuity Plans cannot be considered fully operable without a robust and tested ICT Disaster Recovery plan in place. ICT are currently reviewing options for collaboration in relation to a secondary DR site. • Trafford ICT are looking for alternative accommodation for the secondary datacentre currently situated at Sale Waterside, as the existing room is inadequate and the cost of improving the environmental controls and security is prohibitive. Trafford ICT are also soft market testing a hosted solution via a

				<p>third party with a decision expected to be reached by April 2019.</p> <ul style="list-style-type: none"> • The Council has undertaken a cloud readiness review in support of the GM Health and Social Care Partnership's Digital Strategy. The outcome of the review suggests the Council should adopt a cloud first approach; meaning the Council's systems and data should in future be hosted in the cloud where possible and practical. Cloud hosting would provide excellent resilience and disaster recovery capabilities, and provides high levels of security. A plan is to be developed with transition expected to take a number of years. • The service Business Impact Analyses were refreshed in 2016 to capture additional detail including the Recovery Point Objective (RPO) and Recovery Time Objective (RTO) in respect of ICT systems, however these assessments have not been subject to quality assurance or analysis to determine the business requirements in terms of priority restoration for systems and network. This information is essential to determining any future ICT Disaster Recovery solution and to inform future business investment decisions • Responsibilities, plans and resources available need to be reviewed and defined in respect of Business Continuity Management / Disaster Recovery Planning to enable robust quality management and testing programmes to be implemented. The current work underway to review the organisational support arrangements following the Clinical Commissioning Group (CCG) integration in April 2018 provides an opportunity to ensure that Business Continuity Management requirements are adequately resourced and co-ordinated across the organisation. • Contractual requirements on external providers have business continuity plans in place. • Mobile Telephone Privileged Access Scheme (MTPAS) – Priority access to telecommunications has been reviewed to ensure capability during incidents. Numbers and update processes are now fully functional and up to date. • The integration between Trafford Council and Trafford CCG and the required fundamental organisation and service redesign pose additional risks around Emergency Planning
--	--	--	--	---

				<p>and Business Continuity. Full oversight of CCG rota has now fully transitioned. Business Continuity still remains with the CCG. This work sits with the CCG Transitions Programme.</p> <p><i>Refer also to the comments regarding Risk 8.</i></p>
--	--	--	--	--

** Note: This indicates the direction of travel in respect of performance in managing the risk and not direction of travel of the risk level.

Key:	
	= Improvement in management of the risk.
	= No change in management of the risk.
	= Deterioration in management of the risk.

This page is intentionally left blank