

Meeting: Audit Committee

Date: 28 May 2025

Wards Affected: All

Report Title: Risk Management Update

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 make them aware of any notable information with regards to the Council's overall risk management arrangements. It is the first of four risk reports that will be presented to Audit Committee for financial year 2025/26.
- 1.2 Since the last report brought to Audit Committee in January, the Phase Two Risk Management Improvement Plan Council has been updated and is attached as Appendix A. The improvement plan sets out where we are in terms of embedding risk management within the Council.
- 1.3 A 5 x 5 risk matrix is used to score the risks, meaning the maximum score 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 the supporting appendices of this report – Appendix B shows the Council's strategic risks which are scoring 16 or above and Appendix C shows the Council's corporate risks which are scoring 16 or above.
- 1.4 The Council's Risk Management Policy includes a description of the roles and responsibilities in relation to risk management. In respect of Audit Committee, the Policy says:

"Providing assurance that the Council has an effective and proportionate Risk Management Framework in place. As part of this, the committee keeps the council's Strategic and Corporate Risk Registers under review, providing appropriate challenge as necessary."
- 1.5 In practical terms Cabinet members are responsible for considering risks to the organisation in all of their decision making. Discussing relevant risks included on the registers in their one-to-one meetings with Directors and, with their Directors, ensure that action is taken as required.

2. Risk Overview

- 2.1 The Council currently has seven Strategic Risks and 67 Corporate Risks appearing on its risk registers. A full list is attached as Appendix D.
- 2.2 The seven Strategic Risks all have **unmitigated** scores of 16 or above. As at the time of drafting this report, four have **mitigated** scores of 16 and above. These scores have remained high since they were put in place.
- 2.3 44 of the 67 Corporate Risks have **unmitigated** scores of 16 or above. 12 risks have **mitigated** scores of 16 and above.
- 2.4 Risks that have scores of 16 or above highlight that there is a probability that it is likely/almost certain that should the risk occur, it would have a major or critical impact on the business. Below are the risk matrixes for the Council's Strategic and Corporate Risk Registers. They show the number of risks that appear for each score.

Risk Matrix - Mitigated Strategic Risks as at 23 April 2025

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

Risk Matrix - Mitigated Corporate Risks as at 23 April 2025

	1 - Rare	2 - Unlikely	3 - Possible	4 - Likely	5 - Almost certain
5 - Critical	0	2	3	3	1
4 - Major	1	7	15	7	1
3 - Moderate	2	5	11	6	1
2 - Minor	0	1	1	0	0
1 - Insignificant	0	0	0	0	0

Strategic Risks (mitigated 16 or above)

Code	Risk Title	Last Mitigated Score
ST05	Failure to supply sufficient housing for Torbay's needs	20
ST03	Failure to have good economic growth that allows us to address the needs of the most vulnerable	16
ST04	Failure to set a robust budget and Medium-Term Resource Plan	16
ST09	Failure to adapt to a changing climate	16

Corporate Risks (mitigated 16 or above)

Code	Risk Title	Last Mitigated Score
CP17	Placement sufficiency	25
CP05	Failure to comply with Health & Safety legislation	20
CP14	Delivery of SEND	20
CP15	Failure to stabilise the budget for the Higher Needs block	20
CP46	Effective Housing delivery	20
CP06	Failure for our wholly owned companies to comply with H&S, fire, environmental legislation.	16
CP47	Effective delivery of Economic Growth Strategy	16
CP72	Inadequate resources to satisfy the obligations of the Flood and Water Management Act Schedule 3	16
CP73	Failure to adequately undertake proactive improvement works to cliffs and coastal defences	16

CP75	Failure to effectively maintain and invest in our Operational Estate	16
CP82	Risk of Section 106 money not being deployed against priority areas of need & avoid it being repaid	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 (updated) in accordance with the timescales set out in our Risk Management Framework.

4. Changes to our Strategic and Corporate Risk Registers

- 4.1 As mentioned in the risk report presented to Audit Committee in February, work took place on reviewing the risks that were appearing on the registers for Torbay Economic Development Company. The Council has now established the below risks onto its corporate risk register. These risks reflect the corporate risks that transferred back to the Council. A suite of service risks has also been established for each service area.

- CP71 - Failure to ensure safe maintenance and compliance of the Council's housing stock
- CP72 - Inadequate resources to satisfy the obligations of the Flood and Water Management Act Schedule 3
- CP73 - Failure to adequately undertake proactive improvement works to cliffs and coastal defences
- CP74 - Failure to effectively maintain Council Heritage Assets
- CP75 - Failure to effectively maintain and invest in our Operational Estate
- CP76 - Failure to adequately maintain and invest in our Community Assets
- CP77 - Failure to effectively achieve commercial income targets from the Council's let estate within Torbay
- CP78 - Failure to effectively achieve the commercial income targets from the Council Investment Portfolio

- 4.2 In addition to the above, Directors have also approved the adoption of the below new risks onto the Council's corporate risk register.

- CP80 - Insufficient capacity, resourcing and engagement with change agenda
- CP81 - Failure Of Liquid Logic Software System
- CP82 - Risk of Section 106 money not being deployed against priority areas of need & avoid it being repaid
- CP83 - Local Government Reorganisation – Attached as Appendix E for members information
- CP84 - Failure to adequately maintain Torbay's Public Highway Asset to ensure a safe and effective network

- 4.3 Following on from the Director's away day, where they collectively reviewed all the risks appearing on the strategic and corporate risk registers, the below changes have been made.

Risks that have been permanently removed:

- CP27 Failure to respond adequately to the fuel crisis or similar events affecting the most vulnerable
- CP33 Lack of effective project management
- CP56 Failure to meet Care Act 2014 section five (one)
- CP65 Failure to comply with the grant conditions for the Youth Investment Fund
- CP81 Council Redesign - Our Organisation Project Overall Risk
- CP82 Council Redesign - Our People Project Overall Risk

4.4 Strategic risk ST08 Operational or governance failure of our wholly owned companies has been de-escalated and a revised risk established on the corporate risk register entitled CP79 Not delivering the anticipated benefits of integrating TDA and Torvista back into Council management.

4.5 Corporate risks that have been de-escalated off the corporate risk register onto service risk registers include:

- CP31 Failure to administer and pay housing benefit accurately & promptly
- CP18 Demand on services outstrips resource and budget
- CP26 Failure to deliver mandated public health services
- CP54 Delivery of satisfactory beach and coastal services

5.0 Risk Notes & Keys

5.1 As requested by members of Audit Committee at their meeting in February, the Performance and Risk Manager raised with Directors the need to include more details in the risk notes. Guidance was drafted and shared with Directors, published in the managers briefing newsletter and sent directly to risk completion officers for all strategic and corporate risks.

5.2 In addition to the above a key has been added into all our risk reports to provide the reader clarity over the terminology and symbols used.

6.0 Recommendation(s) / Proposed Decision

- (i) That the report be noted, and Audit Committee identify any issues it wishes to raise relating to the risks in Appendices B, C, D, E and F.

Appendices

Appendix A: Phase Two Risk Management Improvement Plan V5 20th March 2025

Appendix B: Torbay Council's Strategic Risks Detailed Report (16 and above)

Appendix C: Torbay Council's Corporate Risks Detailed Report (16 and above)

Appendix D: Torbay Council's Strategic and Corporate Risk Registers

Appendix E: CP83 - Local Government Reorganisation

Background Documents

Report clearance:	This report has been reviewed and approved by:	Date:
Chief Executive	Anne-Marie Bond	

Monitoring Officer	Amanda Barlow	
Director Of Finance Officer	Malcolm Coe	
Director Of Corporate Services	Matthew Fairclough-Kay	24 Apr 25