

North Tyneside Council

Report to Audit Committee

Date: 22 March 2023

Title: Review of Corporate Risks allocated to Director of Resources

Report from Service Area: Resources

Report Author: Jon Ritchie, Director of Resources (Tel: 643 5701)

Wards affected: All

PART 1

1.1 Purpose:

There are a number of risks allocated to the Director of Resources in the Corporate Risk register and, at its last meeting, Audit Committee requested a summary of the approach taken to manage these. The source document for this report is the Corporate Risk Register as discussed at Audit Committee on 16 November 2022. At that point in time, the following 4 risks were allocated to the Director of Resources:

- Information governance;
- Finance and resources;
- Workforce/succession planning; and
- Rising energy costs.

1.2 Since that report, the risk on Health, Safety and Wellbeing has been reallocated from Commissioning and Asset Management to Resources, so is also included in this summary.

1.2 Recommendation(s):

It is recommended that Audit Committee note the approach to managing the risks addressed in this report and make suggestions to further enhance the arrangements as appropriate.

1.3 Council plan and policy framework

Risk management and the role of the Audit Committee in assessing the adequacy of arrangements covers all service responsibilities as identified within the 'Our North Tyneside Plan'.

1.4 Information

1.4.1 There are five risks currently allocated to the Director of Resources. The assessment and management of the risks differs depending on the specific risk in question, although as all are corporate in nature there is inevitably some commonality in approach, as well

as links to other senior officers and corporate plans, for example the Authority's Budget and Medium Term Financial Plan (MTFP).

- 1.4.2 This section of the report includes a brief summary of the overall approach adopted to reach the level of assurance included in the Corporate Risk Register considered in November by Audit Committee.
- 1.4.3 Information Governance (ref 990): There is a risk that unless there are robust policies and systems in place, implemented, maintained and adhered to there is a possibility that sensitive data may be lost.

The Authority takes information governance extremely seriously. As well it being critical for the Authority to "do the right thing" with the data it holds, there is a legislative and financial imperative for this to happen given the implications for breaches of the Data Protection Act 2018.

As well as nominated roles of Senior Information Risk Officer and Data Protection Officer being held by suitably qualified and experienced staff, there is an established Information Governance and Security Group in place with representatives from all Directorates. Whilst IT devices and controls cannot ensure suitable information governance, it is a key component in the Authority's approach, with up to IT security software being maintained on all devices as part of the wider cyber security arrangements.

Staff and Members are given training, with staff completion of the mandatory training being considered in annual performance appraisals, in addition to guidance provided on the intranet. This includes what should be done in the event of data breach, with the Information Commissioner's Office being informed in all relevant instances, which are thankfully limited. In a recent incident of a loss of data (from a flooding incident at an Authority facility) confirmation was received that staff had followed all of the expected protocols and no further action was to be taken.

Finally, where data sharing is required between partners and suppliers, appropriate data sharing agreements will be used.

- 1.4.4 Health, Safety and Wellbeing (ref 471): There is a risk that the organisation may fail to ensure that safe working practices are in place that could potentially result in loss or damage to the organisation, its employees or the public.

The Chief Executive highlights to new staff on the monthly induction session that ensuring that all Authority staff go home safely at the end of each day is his key concern in his role as Head of Paid Service. Of equal importance is the safety of all of the visitors and service users to the Authority, including pupils and staff in maintained schools for which the Authority is responsible.

The Authority has a strong set of Health and Safety (H&S) policies, controls and practices in place, supported by a H&S Team of qualified professionals. As well as putting these in place, there is an established audit programme to proactively test, refine and improve arrangements with regular reporting to Senior Leadership Team (SLT), as well as accelerating the reporting any incidents.

Training on H&S is mandatory for all staff, with more specialised training dependent on job role on a risk basis.

There is a clear governance arrangement in place, with the overall H&S responsibility being with the Health and Safety Compliance Group, consisting of Directors, Managers and Trades Union representatives, receiving updates from the Council Operations and Schools and Nursery Forums. As well as a standard agenda covering items such as incident and near miss reporting, these groups will consider updates on policies and practices to consider the latest legislative changes and best practice identified.

- 1.4.5 Finance and Resources (ref 1211): There is a risk that due to significant historic reductions in local authority core funding and the ongoing uncertainty of funding beyond 2022-2023, which has been further exacerbated by the Covid-19 pandemic, compounded with patchwork funding for social care including the impact of the Health and Social Care Act 2022 and the introduction of new funding formulas for schools, the Authority may not be able to make appropriate plans to ensure its financial sustainability.

The Audit Committee will be aware of the importance of strong financial governance from its own agenda and work programme, but the scale of reporting to and scrutiny by Members is much wider. A key component is budget monitoring with bi-monthly reporting to Cabinet, and subsequently Finance Sub Committee, so that Members are aware of any financial risks as they arise.

This monitoring is against the annual budget, ultimately set by Council each February, but which goes through several Cabinet meetings as well as scrutiny by Finance Sub Committee, plus the specific Budget Sub Group which meets each budget setting cycle for detailed analysis of the proposals.

The formal Member involvement is supplemented by a range of internal meetings, some being officer-led (for example monthly SLT) and some involving Cabinet Members (for example Investment Programme Board).

The Finance team is led by suitably qualified and experience finance professionals, who work with regional and national counterparts to ensure the latest accounting standards and best practice is being adhered to. Independent checks are undertaken by Internal and External Audit, with regular reporting to the Audit Committee.

- 1.4.6 Workforce/Succession Planning (ref 1212): There is a risk that our workforce planning may not meet the needs of the Authority especially with regards to succession planning, remuneration linked to pay practice and job evaluation, and recruitment and retention across our some of our services e.g. Social Care and Public Health.

There are national shortages in some areas of staffing in local government, as well as wider, and North Tyneside Council is no different. The Authority has an existing Workforce Plan, which is under review and updating, of which a key element is our approach to ensuring teams are suitably and sustainably staffed.

A key development recently has been the approach to the use of HR data and a new recruitment approach. It is recognised that data-led insight is needed, including key information reported to SLT and the Joint Consultative Forum, which includes Trades Union representatives. In recent months this has led to a new approach to recruitment, which is looking at different approaches to attracting, and retaining, staff.

The Authority is aware that it is not able to compete with some other employers, in both the public and private sectors, on salary levels alone. Instead, the approach highlights the benefits of working in the Authority, including factors such as pension, training,

flexible working and supportive terms and conditions, but also the rewarding nature of the work undertaken. Recruitment and onboarding packs have been updated, making it easier for people to apply to and then join the Authority.

Another key approach is our apprentice programme, covering a range of ages and career opportunities. Whilst it is not possible to guarantee a permanent role at the end of any apprenticeship, there are numerous success stories of people moving into these roles.

1.4.7 Rising Energy Costs (ref 1237): There is a risk that due to the volatile market conditions and global increase in energy costs there may be significant financial pressure placed on the Authority, businesses, and residents.

As a large user of energy, the Authority is exposed to the volatile nature of the current energy markets. The recent budget saw a significant increase in the value of budgets, based on the latest forecasts, with additional uncertainty being factored into future years.

Officers work very closely across the Association of North East Councils (ANEC) area, with all 12 councils being part of the regional procurement of gas and electricity via the North East Procurement Organisation (NEPO).

As well as the purchase of energy, the Authority has undertaken a range of energy efficient activities for its buildings and assets, notably the streetlight programme to retrofit LED bulbs to significantly reduce consumption across the borough.

As well as operational assets, the Housing Revenue Account (HRA) business plan includes a range of investments in our council houses to enhance energy efficiency, benefiting tenants through warmer homes at lower costs.

On a wider scale, the Authority supported many residents through the timely payment of the Council Tax Energy Rebate. Vulnerable residents have also benefited from a range of cost of living support that has been put in place, which can involve specific energy support for eligible claimants.

Whilst it is included as a separate risk, the Authority's response to Carbon Net Zero has a clear interaction with the energy cost risk.

1.5 Decision Options:

It is recommended that Audit Committee note the approach to managing the risks addressed in this report and make suggestions to further enhance the arrangements as appropriate.

1.6 Reasons for recommended option:

This recommendation will allow the Authority to identify further opportunities to enhance the risk management arrangements in place.

1.7 Appendices:

N/a – see background papers below

1.8 Contact officers:

Jon Ritchie, Director of Resources (Tel 643 5701)

1.9 Background information:

The following background papers and research reports have been used in the compilation of this report and are available for inspection at the offices of the author.

- Audit Committee 16 November 2022 – Corporate Risk Management Summary Report (published as a Part 2 report)

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

There are no financial implications arising from the recommendations set out in this report. Costs associated with the management of individual risks will be included within the relevant service area budgets.

2.2 Legal

There are no legal implications arising from the recommendations set out in this report.

2.3 Consultation/community engagement

Risk management is a standing item on the Audit Committee agenda.

2.4 Human rights

There are no human rights issues arising from this report.

2.5 Equalities and diversity

There are no equality and diversity issues arising from this report.

2.6 Risk management

The risks under consideration are detailed in the body of the report.

2.7 Crime and disorder

There are no specific crime and disorder issues arising from this report.

2.8 Environment and sustainability

There are no environment and sustainability issues arising from this report.

Report authors Jon Ritchie