

# Corporate Risk Register

## 1. Overview

Our Corporate Risk Register is the result of an annual strategic risk management exercise conducted to identify, analyse and prioritise those risks that may affect the ability of the council to achieve its corporate objectives. The key risks facing the council were identified through discussion with Cabinet Members, Finance and Audit Committee Members, Members, Directors, Assistant Directors, Service Managers and other senior managers.

The Corporate Risk Register outlines the key strategic risks facing the council, the controls currently in place to respond to these risks and any further action required by the council to properly manage these risks. The actions that the council has in place/needs to implement are assessed as one of the following:

- **Good** – actions in place will mitigate the risk and no further action is required.
- **Adequate** – whilst the action will help to mitigate the risk, there is still further work that can be undertaken to further mitigate the risk.
- **Inadequate** – the action is either not already in place or is not mitigating the risk and therefore further work is required.

## 2. Risk Matrix

Likelihood / Impact	Negligible risk (1)	Significant risk (2)	Serious risk (3)	Critical risk (4)
5 - Very High	5	10	15	20
4 - High	4	8	12	16
3 - Medium	3	6	9	12
2 - Low	2	4	6	8
1 - Very Low	1	2	3	4

The risk factor is calculated by multiplying the likelihood and risk. It is then broken into the following categories:

- **Low** - 1 - 4
- **Medium** - 5 - 9
- **High** - 10 - 20

## Guidance used for assessing likelihood

### *Very High (5)*

On the evidence and knowledge of officers and members it is almost certain that this issue will occur sometime within the next year. The issue may have already occurred in previous years either at the council or elsewhere.

## *High (4)*

On the evidence and knowledge of officers and members it is very likely that this issue or event will occur in the coming year.

## *Medium (3)*

On the evidence and knowledge of officers and members the issue is more likely to occur than not in the coming year.

## *Low (2)*

On the evidence and knowledge of officers and members it is unlikely that this event will occur in the coming year. Occurrences of this risk have occurred in the past but occurrences are very few and far between.

## *Very Low (1)*

On the evidence and knowledge of officers and members it is unlikely that this event would occur in either the coming year or in future years.

# Guidance used for assessing impact

## *Critical (4)*

The impact that the occurrence of this risk would have on the authority would threaten the council's financial stability. The delivery of service to the public could be affected either permanently or for a long duration and the council would be unable to achieve its key objectives. There would be a seriously damaging impact on the council's reputation through poor media coverage.

## *Serious (3)*

The financial impact on the authority would be serious although would not threaten the stability of the council's financial position. Services would experience disruption with the delivery of services being affected for a number of days. Whilst the council's objectives would be met there would be significant delays in achieving them. The council would endure poor media coverage for a period of time affecting the council's reputation which would take some time to recover from.

## *Significant (2)*

There would be a financial impact on the authority however this would be manageable within the council's existing financial resources. There may be disruption to services and possibly delays in achieving the council's objectives. There may be poor media coverage which could affect the council in the long term.

## *Negligible (1)*

There is little or no financial impact of the risk to the authority. There would be no disruption to the delivery of the council's key objectives or frontline services. It is unlikely that this risk will impact on the council's reputation.

## 3. Risks Identified (2021 - 2022)

All risks identified for 2021-2022 are summarised below:

### Risk 1

Ongoing financial viability of the council

- Inherent Risk - 20 (High)
- Residual Risk - 12 (High)
- Target Risk - 9 (Medium)

View the full report on [risk 1 - Ongoing financial viability of the council](#)

### Risk 2

Changes in national priorities and legislative change

- Inherent Risk - 20 (High)
- Residual Risk - 15 (High)
- Target Risk - 12 (High)

View the full report on [risk 2 - Changes in national priorities and legislative change](#)

### Risk 3

Organisational capacity / resilience

- Inherent Risk - 20 (High)
- Residual Risk - 15 (High)
- Target Risk - 12 (High)

View the full report on [risk 3 - Organisational capacity / resilience](#)

### Risk 4

Cyber attack resulting in data breach or corruption of data

- Inherent Risk - 16 (High)
- Residual Risk - 12 (High)
- Target Risk - 9 (Medium)

View the full report on [risk 4 - Cyber attack resulting in data breach or corruption of data](#)

## Risk 5

### Investment risk

- Inherent Risk - 15 (High)
- Residual Risk - 10 (High)
- Target Risk - 9 (Medium)

View the full report on [risk 5 - Investment risk](#)

## Risk 6

### Universal credit

- Inherent Risk - 15 (High)
- Residual Risk - 6 (Medium)
- Target Risk - 9 (Medium)

## Risk 7

### Withdrawal of the United Kingdom from the European Union

- Inherent Risk - 6 (Medium)
- Residual Risk - 6 (Medium)
- Target Risk - 6 (Medium)

## Risk 8

### Civil risk e.g. flooding, major disaster etc.

- Inherent Risk - 12 (High)
- Residual Risk - 9 (Medium)
- Target Risk - 9 (Medium)

## Risk 9

### Digital transformation and remote working

- Inherent Risk - 4 (Low)
- Residual Risk - 2 (Low)
- Target Risk - 2 (Low)

## Risk scores

Below is a list of which category each risk is assigned to based on its residual risk rating. The risks that have generated a “High Risk” score of 10 or higher residual risk rating have been included in the 2021-2022 Corporate Risk Register.

- **High Risk**
  - Risk 1 - Ongoing financial viability of the council (Score 12)
  - Risk 2 - Changes in national priorities and legislative change (Score 15)

- Risk 3 - Organisational capacity / resilience (Score 15)
- Risk 4 - Cyber attack resulting in data breach or corruption of data (Score 12)
- Risk 5 - Investment risk (Score 12)
- **Medium Risk**
  - Risk 6 - Universal credit (Score 6)
  - Risk 7 - Withdrawal of the United Kingdom from the European Union (Score 6)
  - Risk 8 - Civil risk e.g. flooding, major disaster etc. (Score 9)
- **Low Risk**
  - Risk 9 - Digital transformation and remote working (Score 4)

Given that the council works in an ever-changing environment it will be necessary to conduct similar risk management exercises on a periodic basis. Progress against management actions recorded in the register will be reviewed on a six-monthly basis by the Finance and Audit Committee.

As a contribution to good corporate governance, risk management also forms a part of the annual business planning process – each departmental business plan has a specific service risk register to identify the key risks facing that service. This reinforces the corporate risk management approach through each Service Manager giving proper formal consideration to both corporate and operational risks

# Risk 1 - Ongoing financial viability of the Council

## Assessment date

January 2021

## Inherent risk score

- Likelihood: 5 (Very High)
- Impact: 4 (Critical)
- Score: 20 (High)

## Residual risk score

- Likelihood: 4 (High)
- Impact: 3 (Serious)
- Score: 12 (High)

## Cabinet portfolio

Leader of the Executive (but affects all portfolios)

# Risk background

Over the last decade Gravesham Borough Council, along with the rest of local government, has experienced significant and sustained cuts to its funding whilst demand on services has risen. The Council proactively responded to these financial challenges by implementing a programme of activity designed to increase income and reduce expenditure, successfully delivering £4.25m of base budget reduction by 2020.

New financial challenges have arisen due to the Covid-19 pandemic. The Council has experienced immediate losses in-year against collection against key income lines such as council tax, business rates, car parking and investment income. These income lines are likely to take a period of time to recover and, in some instances, may take a significant time to recover to pre-covid levels.

There also remains great uncertainty around the way in which local government will be funded in the future; many central government funding announcements have been put on hold this year due to parliamentary and government departmental time being diverted to responding to the Covid-19 pandemic and the end of the transition period of the UK leaving the EU. Local government finds itself once again being issued with a single year settlement, with no certainty of the mechanism by which local government will be funded in future years, making longer term planning extremely challenging.

## Consequences

- Inability to plan effectively due to the lack of clarity around the future level of government funding support and how the business rates retention scheme will operate in practice.
- Potential for MHCLG to reduce the total funding available to the council (including retained business rates) beyond the levels projected in the MTFP to support other departmental funding pressures.
- Council exposed to increased financial risk and volatility from changes to funding and any redesigned business rates scheme.
- Unplanned cuts in services needed and/or drop in quality of delivery, potentially leading to damage to Council's reputation.
- Financial savings not achieved.
- Budgets exceeded and/or reserves depleted.
- Problems stored up for the future.
- Minimum working balance of £2 million is not maintained.
- New legislative requirements not met.
- Uncertainty over future large projects.
- Potential for infrastructure to deteriorate.
- Potential for the introduction of further statutory discounts for Business Rates payers without compensation from central government.

## Controls already in place

- Medium Term Financial Strategy in place
- Medium Term Financial Plan in place
- Robust budget monitoring arrangements in place

## Key corporate documents and processes

- Medium Term Financial Strategy
- Medium Term Financial Plan
- Budget monitoring process

## Risk owners

Director (Corporate Services)

Assistant Director (Corporate Services)

## Additional actions required to further mitigate risk

### *Required Management Action*

Continue to review reserves and working balance annually to assess financial sustainability and appropriateness of working balances and reserves as a means to manage cash flow, future requirements and unexpected events.

Continue the council's financial strategy objectives and the core principles that underpin these.

Development of a new Medium Term Financial Strategy for the council once the outcomes of the Fair Funding Review, Retained Business Rates Scheme design and other local government funding reform are known.

### *Lead officers*

Director (Corporate Services)

Assistant Director (Corporate Services)

### *Target date*

February 2022

### *Required Management Action*

Continued maintenance of the Medium Term Financial Plan.

Modelling of the effects of the Fair Funding review, Retained Business Rates Retention Scheme and other local government funding reform once known.

### *Lead officers*

Director (Corporate Services)

Assistant Director (Corporate Services)

### *Target date*

Ongoing to March 2022

## *Required Management Action*

Continue the programme of development for the council's Financial Management System.

Ensure adequate compliance with budget monitoring arrangements.

Continue to proactively respond to central government consultations on funding for local government.

## *Lead officers*

Assistant Director (Corporate Services)

## *Target date*

Ongoing to March 2022

## Target for end of the 2021-2022 financial year

- Likelihood: 3 (Medium)
- Impact: 3 (Serious)
- Score: 9 (Medium)

## Risk 2 - Changes in national priorities and legislative change

### Assessment date

January 2021

### Inherent risk score

- Likelihood: 5 (Very High)
- Impact: 4 (Critical)
- Score: 20 (High)

### Residual risk score

- Likelihood: 5 (Very High)
- Impact: 3 (Serious)
- Score: 15 (High)

## Cabinet portfolio

All Portfolios



# Risk background

Good governance requires that the council is fully informed of legislation, national priorities including Nationally Significant Infrastructure Projects (NSIP) to ensure that it is best placed to respond to any implications for its operations or the Borough more widely.

The last year has created new challenges in responding to the council in responding to government policy announcements, particularly at short notice as Central Government led the national response to the Covid-19 pandemic. As the country enters the recovery phase, further policy guidance and legislation is expected from this, in addition to legislative changes to respond to the end of the transition period of the UK exiting the EU. On enactment of relevant legislation, the council will potentially face new statutory duties, responsibilities or standards with which to adhere, potentially challenging existing services and working practices.

In respect of NSIP, current proposals that are being progressed include:

- Lower Thames Crossing (in Gravesham)
- Thurrock Flexible Generation Plant (Tilbury)
- London Resort (in Dartford/Gravesham)

The council will need to ensure it has access to sufficient and appropriate resources to enable it to effectively respond to these proposals as further information is released.

## Consequences

- Change of strategic direction for the council.
- Breakdown in governance controls and processes.
- New legislative and regulatory duties not met and the potential for legal challenge.
- Severe financial position, challenging the council's ability to deliver the corporate objectives and policy commitments within the Corporate Plan.
- Logistical challenges to the delivery of council services and effectiveness of the council's supply chain.
- Sustained levels of service underperformance, resulting in a failure to meet community needs and expectations.
- Additional costs/workload pressures for staff impacting morale, sickness absence and future recruitment and retention.
- Increased scrutiny from Members, agencies, media and community stakeholders / reputational damage.
- The council may need to redirect resources to enable responses to consultations and other processes quickly

## Controls already in place

- Timely policy insight.
- Informing government policy.
- Engagement with partner agencies.
- Business continuity planning.
- Member training and development.

- Proactive briefing and information sharing arrangements between council departments, Members and staff.

## Key corporate documents and processes

- Corporate Plan 2019-2023
- Medium Term Financial Strategy
- Medium Term Financial Plan

## Risk owners

Chief Executive  
Management Team

## Additional actions required to further mitigate risk

### *Required Management Action*

Circulation of monthly policy briefings and timely legislative updates.

### *Lead officers*

Corporate Performance Manager

### *Target date*

March 2022

### *Required Management Action*

Working alongside partner agencies (LGA etc.), deliver proactive responses to formal consultations and policy papers from central government to ensure Gravesham's strategic position is effectively represented.

### *Lead officers*

Wider Management Team

### *Target date*

Ongoing to March 2022

### *Required Management Action*

Ensure a strong commitment to the council's partnership working arrangements and sustaining Gravesham's involvement with key stakeholder agencies and working groups on a national and local basis including (but not exclusive to):

- Local Government Association
- District Councils Network
- Kent Finance Officers Group
- Kent Resilience Forum

## *Lead officers*

Wider Management Team

## *Target date*

Ongoing to March 2022

## *Required Management Action*

Business Continuity Plans to be reviewed and updated to ensure they remain fit for purpose.

## *Lead officers*

Wider Management Team

## *Target date*

March 2022

## *Required Management Action*

Member Training and Development Plan prepared and delivered to provide ongoing support all Members.

## *Lead officers*

Committee Services Manager/Wider Management Team

## *Target date*

March 2022

## *Required Management Action*

Develop effective working practices between departments to enable information sharing and coordination of responses on behalf of the council.

Put in place a mechanism which enables regular updates to be provided to Members.

## *Lead officers*

Director (Planning & Development)

## *Target date*

March 2022

## **Target for end of the 2021-2022 financial year**

- Likelihood: 4 (High)

- Impact: 3 (Serious)
- Score: 12 (High)

## Risk 3 - Organisational capacity / resilience

### Assessment date

January 2021

### Inherent risk score

- Likelihood: 5 (Very High)
- Impact: 4 (Critical)
- Score: 20 (High)

### Residual risk score

- Likelihood: 5 (Very High)
- Impact: 3 (Serious)
- Score: 15 (High)

## Cabinet portfolio

Deputy Leader (but affects all portfolios)

## Risk background

The council's Management Team have put in place a number of arrangements to help the effective direction of the council's finite staffing resources, including approval of all new appointments and the cessation of temporary staff contracts and non-contractual overtime (except in exceptional circumstances). This is intended to reduce the risk of key person dependency and poor resilience by recognising and improving organisational capacity and resilience where needed, identifying critical tasks, working flexibly across departments and developing the skills and abilities of key leaders and staff.

In developing its working arrangements the council will also need to manage the aging operational buildings from which it delivers services to ensure these remain fit for purpose and capable of supporting its ways of working and the methods of access preferred by service users.

The council also needs to ensure that it has plans in place to cope with other potential impacts on capacity which may result from severe weather, building damage or pandemic to ensure that key services can continue to be delivered, particularly in light of the current coronavirus outbreak.

The council's workforce, particularly office based staff, have needed to adapt to working practices due to the Covid -19 pandemic and there is an increase in the level of work completed remotely.

## Consequences

- Council unprepared for changes resulting in pressure being placed on resources, this in turn could lead to the council struggling to meet changes in demand for services.
- Services areas with reduced staff will suffer a greater impact which in turn will add pressures on already stretched resources.
- Increased organisational stress can negatively impact productivity, which in turn can reduce staff motivation, create low morale and increase sickness and stress levels.
- The council will be required to provide additional help and support to overcome the problems that result from increased organisational stress.
- Increases in liability claims and weaknesses in internal controls could result due to there being insufficient staff resources to carry out essential roles and responsibilities.
- Cuts in services and a potential drop in service quality is also possible

## Controls already in place

- Effective allocation of resources
- Flexible working arrangements
- Provision of training and support
- Workforce Support.

## Key corporate documents and processes

- Corporate Business Plan 2019-2023
- Workforce Development Plan

## Risk owners

Chief Executive  
Management Team

## Additional actions required to further mitigate risk

### *Required Management Action*

All requests for filling of vacant posts are reviewed by Management Team and in addition posts that have been vacant for over a year are reviewed on an annual basis.

The shared service arrangements are reviewed on an annual basis to ensure that they continue to meet our objectives.

Due to Covid-19 existing staff have been allocated to new tasks and others areas of work, this work is ongoing.

### *Lead officers*

Management Team

## *Target date*

February 2022

## *Required Management Action*

A Task and Finish working group has been established to consider Homeworking/Flexible working arrangements going forward.

Any necessary action plans identified by the working group, will be implemented to inform and shape future working arrangements and updates will be made to HR policies and procedures to support this.

A full review of Apprenticeships and work experience is currently being reviewed and taken forward at the current time.

Currently, most of our office based staff are home working, with a skeleton staff coming into the offices. We continue to review our working practices to ensure that our staff welfare is being considered during this unsettling times, but also that the service we provide to our residents remain unaffected.

## *Lead officers*

Management Team

## *Target date*

Ongoing to March 2022

## *Required Management Action*

Training at the moment continues to be undertaken virtually and the support of our employees remains a priority, so we continue to respond to issues and provide new equipment during this time. In addition we also remain committed to our employee's mental health during these unsettling times and ensure that all managers are communicating on a regular basis. In addition the Chief Executive sends out to all staff a weekly letter which contains all council and Covid-19 updates, this has proven to be very popular and effective.

All staff are being encouraged to attend for regular testing at the no-symptom centres and majority of staff are being tested on a 2 weekly basis.

## *Lead officers*

Director (Communities)

## *Target date*

Ongoing to March 2022

## *Required Management Action*

Continue to operate the Joint Staff forum to update the workforce on key issues regarding the Council and give employees the opportunity to raise any concerns they may have.

Deliver the IIP action plan.

Continue to actively proactively and positively engage with Trade Unions.

Continue communication to promote Occupational Health, the Employee Assistance Programme and the Mental Health Champions as further confidential support services for staff.

### *Lead officers*

Director (Communities)

### *Target date*

January 2022

## *Required Management Action*

A small group of staff continue to lead on the Covid compliant plans for all Civic Buildings. Regular checks are carried out to ensure compliance and we continue to adjust and change our working practices to ensure compliance with government advice. Our good working practices include additional screens, an enhanced cleaning regime, one way systems, virtual meetings and reduced occupancy in office environments to deal with the one metre distancing rules.

### *Lead officers*

Director (Communities)

### *Target date*

January 2022

## *Required Management Action*

Plans have been updated in line with Covid-19 changes and are currently being reviewed in line with the County approach to the Brexit withdrawal arrangements.

### *Lead officers*

Management Team

### *Target date*

Ongoing to March 2022

## Target for end of the 2021-2022 financial year

- Likelihood: 4 (High)
- Impact: 3 (Serious)
- Score: 12 (High)

## Risk 4 - Cyber attack resulting in data breach or corruption of data

### Assessment date

January 2021

### Inherent risk score

- Likelihood: 4 (High)
- Impact: 4 (Critical)
- Score: 16 (High)

### Residual risk score

- Likelihood: 3 (Medium)
- Impact: 4 (Critical)
- Score: 12 (High)

## Cabinet portfolio

Leader

## Risk background

As more reliance grows on IT Systems the risks surrounding a cyberattack disrupting those systems becomes more important. Whilst there is no specific targeted threat to local government (confirmed by the National Cyber Security Centre), criminal activity via Cyber methods remains the most likely motivation. Since the onset of the Covid-19 pandemic there has been a significant increase in cybercrime as noted in the NCSC Annual Review 2020.

Whilst technical and non-technical controls can be put in place to reduce the ease at which an IT Infrastructure can be attacked, unknown vulnerabilities (zero day threats) and / or a determined attacker can defeat even the most secure systems.

The target dates specified for controls are marked as ongoing since constant management action is required to ensure we do not slip backwards with our arrangements and defences.

Alongside protecting systems should be a well-practiced incident response plans.



## Consequences

- Unavailability of systems for normal use in service delivery.
- Destruction of systems and data.
- Theft of data for criminal use.
- Financial loss.
- Reputational damage.
- Extended period to recover council services to usual business

## Controls already in place

- Technical security controls
- Back up arrangements in place
- Participation with relevant warning bodies
- Direct engagement with cyber bodies
- Improvements to existing controls
- Expansion of Business Continuity Plan
- Engagement with Local Resilience Partnership
- Conduct cyberattack exercise scenario

## Key corporate documents and processes

- Business Continuity Plans

## Risk owners

Director (Corporate Services)

## Additional actions required to further mitigate risk

### *Required Management Action*

Due to other commitments the new web and email filtering capability has not been progressed, but existing control systems have been arranged to remain in place for a further year.

The log monitoring system has been updated and the configuration reviewed.

### *Lead officers*

Assistant Director (Transformation & IT)

### *Target date*

Ongoing to March 2022

## *Required Management Action*

The existing offsite arrangements continue. The enhancements have been delayed by approximately six months. This is due to the physical delivery and installations not being possible due to the governments Covid-19 restrictions being in place at the time.

### *Lead officers*

Assistant Director (Transformation & IT)

### *Target date*

Ongoing to March 2022

## *Required Management Action*

Continue to be part of the Kent Warning, Advice and Reporting Points (WARP) Group.

Continue to actively attend briefing events held by the National Cyber Security Centre.

### *Lead officers*

Assistant Director (Transformation & IT)

### *Target date*

Ongoing to March 2022

## *Required Management Action*

Continue to engage with the National Cyber Security Centre and make use of their Active Cyber defence tools.

Continue to be active participants on the LGA Cyber Technical Advisory Group whose purpose is to promote the best practice and awareness of cyber issues to the local government sector.

### *Lead officers*

Assistant Director (Transformation & IT)

### *Target date*

Ongoing to March 2022

## *Required Management Action*

Continue to proactively maintain arrangements to upgrade council devices and maintain the patch management solution (ensuring computers can be kept up to date with software updates), as well as the Mobile Device Management (MDM) and Secure Email solutions to better protect mobile devices.

Implement further enhancements to MDM and USB device control.

In light of the shift to working from home, additional enhancements have been made to our antivirus and end point management software to better serve users wherever they are located.

Enhancements have also been made to our email system configuration to better protect the reputation and brand of our email domain, preventing use by unauthorised users. In a recent survey conducted of all local government email domains, Gravesham are in the top 1% for steps taken to protect our reputation.

### *Lead officers*

Assistant Director (Transformation & IT)

### *Target date*

Ongoing to March 2022

### *Required Management Action*

A new business continuity environment has now been built at Brookvale depot. Hardware is in place and the software to replicate systems is in the final stages of commissioning. The corporate move to the cloud based Microsoft 365 suite of products has also enabled additional business continuity resilience to be set up in the cloud.

### *Lead officers*

Assistant Director (Transformation & IT)

### *Target date*

Ongoing to March 2022

### *Required Management Action*

The Kent Resilience Forum have deferred this work due to the level of resources being required for Covid-19 response.

### *Lead officers*

Assistant Director (Transformation & IT)

### *Target date*

Ongoing to March 2022

### *Required Management Action*

Following on from deploying staff awareness training in July, an email phishing simulation is being planned for delivery in February 2021.

## *Lead officers*

Assistant Director (Transformation & IT)

## *Target date*

Ongoing to March 2022

## Target for end of the 2021-2022 financial year

- Likelihood: 3 (Medium)
- Impact: 3 (Serious)
- Score: 9 (Medium)

## Risk 5 - Investment risk

### Assessment date

January 2021

### Inherent risk score

- Likelihood: 5 (Very High)
- Impact: 3 (Serious)
- Score: 15 (High)

### Residual risk score

- Likelihood: 5 (Very High)
- Impact: 2 (Significant)
- Score: 10 (High)

## Cabinet portfolio

Leader

## Risk background

As part of its strategy to respond to a decade of significant and sustained cuts, over the last four years the council has increased its exposure to investment risk and commercial risk through the diversification of its investment activity and Property Acquisition Strategy.

The council holds £20m of investments in Multi-Asset Funds and Property Funds; this provides greater opportunities for the council to generate investment yields beyond those offered by traditional banks and building societies, but also greater exposure to fluctuations in the capital value of the investments held.

To date, the Property Acquisition Strategy has secured interests in seven commercial property holdings valued at £22m, generating some £1.5m in rental income per annum. The strategy does, however, expose the council to risks around movements in commercial property values and the strength of financial standing of the tenants of these properties.

The Covid-19 pandemic has realised these risks, affecting investment and commercial rental returns. Whilst the impact is assessed as significant, it has not yet seriously impacted the council's financial position and ability to deliver services. The financial impacts may be felt, however, for a number of years as the economy recovers.

## Consequences

- Investments do not perform as expected. E.g. due to economic downturn, which impacts on the balance sheet value of assets.
- Greater exposure to risk of void periods and loss of income if commercial tenants fail or hand back premises when their lease allows.
- Landlord responsibilities on commercial properties exceed anticipated levels e.g. due to increased void periods and associated outgoings such as empty rates, utility, maintenance and refurbishment costs.
- Spending plans are based on levels of commercial rental income and investment income that are not achieved, affecting core council service delivery.
- Balance sheet value of assets is eroded.
- Negative impact on council reputation

## Controls already in place

- Treasury and Investment Framework.
- Monitoring and review of treasury activity.
- Financial protection.
- Professional advice and support.

## Key corporate documents and processes

- Treasury Management Strategy.
- Capital Strategy.
- Property Acquisition Strategy.

## Risk owners

Director (Corporate Services)

## Additional actions required to further mitigate risk

### *Required Management Action*

Continue to maintain the Treasury Management Strategy Statement, Capital Strategy and Property Acquisition Strategy to formalise the agreed parameters for investment.

## *Lead officers*

Assistant Director (Corporate Services)

## *Target date*

Ongoing to March 2022

## *Required Management Action*

Continue to provide and develop quarterly monitoring of treasury and commercial investment activity, to both officers and Members, to report and review performance of the diversified investment portfolio.

## *Lead officers*

Assistant Director (Corporate Services)

## *Target date*

Ongoing to March 2022

## *Required Management Action*

Maintain the commercial income protection reserve, the balance of which is set at 15% of investment income in any year.

Continue the close working relationship between Financial Services and Property Services to enable early identification of any risks or opportunities from the council's commercial property portfolio.

## *Lead officers*

Assistant Director (Corporate Services)

## *Target date*

Ongoing to March 2022

## *Required Management Action*

Ensure that ongoing advice and support is sought from the council's Treasury and Economic advisors and other experts as required.

Ensure that any new activity is subject to appropriate due diligence, including seeking advice and support from external experts as required.

## *Lead officers*

Assistant Director (Corporate Services)

## *Target date*

Ongoing to March 2022

## Target for end of the 2021-2022 financial year

- Likelihood: 3 (Medium)
- Impact: 3 (Serious)
- Score: 9 (Medium)