

# Corporate Recovery Risk Register

Recovery Committee Version: 04

Reviewed: 20.10.21

Finance

Finance – Income

Mitigation Urgency Key	
IM – Immediate	Now
ST – Short Term	Within 1 month
MT – Medium Term	1 month plus
Upward arrow	Risk increasing
Downward arrow	Risk decreasing
Sideways arrow	No change in risk

Risk Ref.	Risk Title	Risk Trend	Mitigation Urgency	Mitigating Actions
CF01	No replacement Government funding to replace income lost during the response phase	↔	IM	Income claims totaling £4.2m were submitted to Welsh Government in 2020/21 and these have been settled in full including those areas initially settled at 50%. Welsh Government have confirmed the continuation of the Hardship Fund until the end of March 2022 so claims will continue to be made for lost income on a quarterly basis.
CF02	A continued loss of income in the recovery phase and beyond should public behaviour change	↔	MT	This risk will be taken into account in the current review of the Medium-Term Financial Strategy (MTFS) and reported throughout the year under monthly budget monitoring reports. Income recovery will continue to be included in Portfolio Business Recovery Plans. The risk is reduced now that funding is confirmed for the full 2021/22 financial year.
CF03	A continued loss of income in trading services in recovery	↔	IM	As CF01 above.
CF04	A continued loss of income for Aura as Deeside Leisure Centre is retained in part as a mass vaccination centre	↔	MT	All income lost to Aura at Deeside Leisure Centre (DLC) for the period from which leisure centres are allowed to re-open (from 10.08.20) but DLC is out of commission as it remains a temporary hospital, can be recovered from the Health Board under the terms of the license/commercial agreement agreed for their occupation of the facility. This protection should also apply to commercial tenants and operators. The income losses recoverable are subject to negotiation and based on physical distancing restrictions and reduced access.
CF05	An increase in the overall level of debt owed to the Council	↔	MT	Income collection continues and we actively engaging with tax-payers, tenants, customers and businesses to offer flexible arrangements. We are also taking steps to enforce payment against residents and businesses who have not paid nor engaged with the Council over several months. This risk is being taken into account in the review of the Medium-Term Financial Strategy (MTFS) including a review of the adequacy of levels of bad debt provision across the Council Additional funding (circa £1.05m) from WG to compensate for losses of 2020/21 council tax collections is helping to provide financial resilience as we enter the recovery phase.

Risk Ref.	Risk Title	Risk Trend	Mitigation Urgency	Mitigating Actions
CF19	A reduction in Business Rates collection impacts on (1) cash-flow and (2) the stability of the National Collection Pool	↔	MT	Income collection continues through the re-introduction of formal recovery processes. We continue to engage with businesses to provide flexible payment agreements. However, businesses who fail to engage or pay, will now continue to be tracked and progressed through the debt recovery systems. Legal action through the Magistrates Courts has re-commenced in cases where businesses ignore repeated request for payment. This risk of losses in collection continues to be tracked on a monthly basis by Welsh Government to 'stress-test' the resilience of the National Collection Pool as this forms a critical part of Aggregate External Finance (AEF) and the money distributed by WG through the settlement. This also includes redistributed non-domestic rates.

#### Finance - Reserves

Risk Ref.	Risk Title	Risk Trend	Mitigation Urgency	Mitigating Actions
CF07	Insufficient reserves impact on the financial resilience of the Council to sustain a lengthy recovery phase	↔	MT	This risk is being taken into account in the review of the Medium-Term Financial Strategy (MTFS) and is impacted by CF06 above.

#### Finance - Council Tax

Risk Ref.	Risk Title	Risk Trend	Mitigation Urgency	Mitigating Actions
CF08	A reduction in Council Tax collection impacts on (1) cash-flow and (2) annual budget	↔	MT	The financial support of circa £1.05m from Welsh Government to mitigate the impacts of council tax income loss in 2020/21 has helped to reduce the risk levels. Debt Recovery processes have re-commenced to increase collection rates and ongoing risks are being taken into account in the review of the Medium-Term Financial Strategy (MTFS).
CF09a	Rise in demand for CTRS has financial impacts on the Council budget because the base subsidy from Welsh Government is not increased to meet the additional cost	↔	MT	Although there has been no increase in the base subsidy for 2021/22 the budget includes provision for the impact of a council tax increase and meeting in-year demand. At this stage no significant cost pressure is being projected although the position will need to be closely monitored now that the furlough scheme has ceased.

## Finance - Inflation and Markets

Risk Ref.	Risk Title	Risk Trend	Mitigation Urgency	Mitigating Actions
CF10	Increase in costs from suppliers for goods and services due to supply/demand and business recovery strategies	↔	MT	There is no immediate evidence of any further increasing inflationary pressures of this type over and above the last update although the situation is being closely monitored Our normal procurement and value for money tendering exercises continue.

## Finance - Treasury Management

Risk Ref.	Risk Title	Risk Trend	Mitigation Urgency	Mitigating Actions
CF11	Principal investments are (1) lower rates of return due to current market instability and (2) at higher default risk	↔	IM	Investments have been made in line with our Treasury Management Strategy and initially were primarily with the Government Debt Management Office to protect security and liquidity. The position was reviewed and investments were subsequently extended to Money Market Funds, where appropriate, which generate a higher rate of return. Current interest rates/investment returns continue to be low.
CF12	Affordability of having to borrow at an earlier stage to fund the capital programme due to lower level of reserves being held	↔	IM	Cash flow is monitored daily with accurate intelligence from across the organisation, and is a standing agenda item at the Finance Tactical Group. Affordability of borrowing will need to be a consideration when reviewing the profile of capital projects at later date.
CF13	Clwyd Pension Fund principal investments are (1) lower rates of return due to current market instability and (2) at higher default risk	↔	IM	The Fund Investment Strategy has a diversified portfolio to manage risk and seeks return from a range of sources and asset classes. In February and March 2020 the Fund suffered as with all investors with the COVID 19 driven market volatility and falls. Since then markets have recovered significantly and have been considerably more stable. The funding level (value of assets as a proportion of liabilities) has recovered and is ahead of target but much uncertainty remains. The Fund has a range of risk management tools and when combined with the range of internal controls in place with officers and advisers who ensure that the Fund's exposure to market volatility is mitigated wherever possible. This is under regular review by the Pensions Team and the external advisor team. Initial discussions with employers on the potential impact on costs from the Actuarial Valuation 2022 will commence on 22 October.

## Finance - Housing Revenue Account

Risk Ref.	Risk Title	Risk Trend	Mitigation Urgency	Mitigating Actions
CF14	Increase in rent arrears impacts on the stability of the Housing Revenue Account (HRA) Business Plan	↔	MT	Welsh Government have announced that the extension of powers enacted under the Coronavirus Act 2020 relating to evictions ended on the 30 June 2021, in this context evictions can now proceed. In terms of notice periods (Notice of Seeking Possession [NSOP]) these were also to end on 30 June 2021, however this was extended by a further six months to the 30 September 2021. This means that a six month notice period will apply to notices issued on or after 24 July 2020 (except in cases of anti-social behavior). This will continue to place further pressure on the HRA Business Plan.

## Finance - Capital Programme

Risk Ref.	Risk Title	Risk Trend	Mitigation Urgency	Mitigating Actions
CF15	Impact on the Capital Programme of loss of/reduction in planned Government specific grants	↔	IM	The Capital Programme and the draw-down/protection of specific grants is reported regularly to the Finance Tactical Group. There is regular liaison with Welsh Government lead contacts to protect grants for delayed/deferred schemes. Contractors for projects from Marleyfield Residential Care Home to highways construction projects are progressing with works in line with grant deadlines, and all other capital programmes have resumed e.g. Disability Facilities Grants. Works are being completed whilst strictly adhering to social distancing regulations. All grant claims have been submitted on time and there is no evidence to date of changes to existing grants. Welsh Government is making additional capital grant awards in policy areas such as economic stimulus and homelessness and we expect our capital programme to be enhanced.
CF16	Impact on the Capital Programme of any change in the appetite of the Council to borrow due to the changed economic and fiscal circumstances	↔	MT	The Capital Programme for 2021/22 to 2023/24 was approved by Council in December. Affordability and risk appetite are to be reviewed as part of the Medium-Term Financial Strategy. Views can then be taken on setting future year Capital Programmes together with assessments of interest rates to enable/track potential borrowing.

## Finance - Financial Settlements

Risk Ref.	Risk Title	Risk Trend	Mitigation Urgency	Mitigating Actions
CF18	Impact on the stability of the Medium-Term Financial Plan of negative Welsh Government Local Government Settlements from 2022/23 due to a change to fiscal policy as part of national recovery planning	↔	MT	Our strategy is to continue our regular engagement with Welsh Local Government Association (WLGA) and Welsh Government to gain support for sustainable settlements for the future. The 2021/22 settlement only provided funding certainty for 1 year, although the Council was able to approve a legal and balanced budget at Cabinet and Council on 16 February. The Council will continue to push for three year funding settlements from 2022/23 onwards.

## Workforce

### Workforce - Financial

Risk Ref.	Risk Title	Risk Trend	Mitigation Urgency	Mitigating Actions
CW03	Cost associated with carry forward of accrued leave across multiple leave years (i.e. from 2020/21 to 2021/22 and 2022/23)	↔	MT	The Working Time (Coronavirus) (Amendment) Regulations 2020 amends the Working Time Regulations 1998 to provide, where it is not reasonably practicable for a worker to take some or all of the holiday to which they are entitled, the right to carry the four weeks leave forward into the next two leave years. Many employees are continuing to take annual leave as planned/needed but it is too early to assess the extent of the potential backlog and the impacts of managing it. Following an assessment by each portfolio the anticipated level of carry-forward anticipated has not materialised. Services have been managing leave effectively and only a handful of services have needed to ask employees to cancel or postpone leave as a direct result of COVID.

### Workforce - Capacity

Risk Ref.	Risk Title	Risk Trend	Mitigation Urgency	Mitigating Actions
CW09	Excessive and unsustainable demands for support for the regional Test, Trace and Protect (TTP) Programme depletes the workforce and impacts on service delivery	↔	IM	The new workforce has been appointed to mitigate this risk of an over-reliance on our core workforce to provide a Trace Test Protect (TTP) service (refer to the July Cabinet report). However, an increase in demand has necessitated some draw-down of our deployment 'bank' employees. This may increase as a risk as a second wave in the pandemic emerges.

Risk Ref.	Risk Title	Risk Trend	Mitigation Urgency	Mitigating Actions
<b>CW10</b>	Impacts of the third wave in the pandemic on the continuous availability of key workers to operate services in a further response phase	↔	MT	This remains an open risk and subject to change as we approach the winter. Subject to order fulfillment, the flu vaccine will be offered to all key workers. The procurement of sufficient supplies will result in a budget pressure of £25-30k. As a management action this a good investment to protect our workforce.
<b>CW11</b>	Increase in demand for Occupational Health and supplementary services	↔	MT	This risk is being taken in account in our planning for the return of the workforce. Additional capacity may need to be acquired and this will need to be taken into account in a mid-year review of the 2020/21 Council Fund Revenue Budget. A Psychological support and Trauma group is established and additional counselling resource is on offer for self-referrals. The cost estimate is £8k for 12 weeks. This will be a budget pressure.
<b>CW14</b> Updated	Increase in workforce turnover due to employees making personal life choices and impact of volatility and change in the employment market which impacts on successful recruitment to vacancies.	↑	MT	This risk has materialised. Service managers wishing to recruit to a vacancy complete a business case which is considered by a corporate panel. Where the case is well made, and there is an imperative for the position for business continuity and service resilience, the panel will support a recruitment going ahead. This is a management action to control in-year expenditure due to the financial risks of the recovery period, and to identify areas where there is a recruitment and/or retention challenge
<b>CW21</b>	Impact on the most vulnerable members of our workforce due to ongoing remote working	↔	MT	As per CW11 and CW17 and our strategy for a safe return to work for the workforce. This strategy is progressing well with employee being able to access some Council premises on managed rotas. Effective workforce management is supporting teams and individuals. Home working remains an open offer for vulnerable employees.
<b>CW22</b>	Impact on our workforce due to the requirement to self-isolate for up to 14 days prior to themselves or a member of their family being admitted to hospital for a medical procedure	↔	IM	Employees whose role allows it, and who are fit to work, are expected to work from home. For those who role does not allow them to work from home, they will be on 'approved paid absence'. A limited number of requests have been received to date but as the NHS starts to reschedule its non COVID related activity, this could increase. We will continue to monitor requests. Target risk date updated due to ongoing restrictions

Risk Ref.	Risk Title	Risk Trend	Mitigation Urgency	Mitigating Actions
<b>CW24</b>	Impact on workforce availability/productivity as a result of caring responsibilities, specifically to care for children who have been sent home from school to self-isolate and need support with blended learning.	↔	IM	Employees whose role allows it, and who are fit to work, are expected to work from home. For those whose role does not allow them to work from home, they will be on 'approved paid absence'. Employees, should, wherever possible, look at sharing the responsibility, to minimise any impact and are encouraged to work flexibly to try and achieve a work life balance Target risk date updated to reflect the ongoing impact on working parents
<b>CW27</b>	Impact on services due to the backlog of First Aiders whose qualification has expired as a result of the ongoing restrictions and now need to retrain to gain requalification	↔	MT	Priority for access to First Aid training is given to front line services. Delivery has recommenced in a COVID safe manner (fewer numbers, additional safeguards) which has enabled 240 people to complete their training during the last three months. Our insurers have confirmed that First Aiders whose qualification has lapsed can continue to provide support in the event it is needed.

### Workforce – Health & Wellbeing

Risk Ref.	Risk Title	Risk Trend	Mitigation Urgency	Mitigating Actions
<b>CW16</b> Updated	Increased sickness absence both COVID and non COVID related	↑	ST	Sickness absence is being managed through the Council's Attendance Management policy and procedure. Current levels of sickness absence are running at below seasonal averages for past years. Also see CW17.
<b>CW17</b> Updated	Increased numbers of mental health related absences	↑	IM	A Wellbeing and Trauma Support Task Group is established to support the workforce in Social Services (as the highest risk service area) to manage their mental health during the pandemic. We continue to provide online training / advice and support to managers and their teams and to signpost to support from outside agencies. An Operational Task Group is now established with the role to ensure that all workplaces are safe to return to, and to communicate the measures in place to manage employee anxiety over a return to work. Links to a number of helpful websites / webinars on health and well-being to be provided via Human Resources and the Infonet. We continue to offer targeted support to individuals and teams showing signs of fatigue/anxiety. All employees are able to access support via CareFirst 24/7, attend stress management course and access counselling based on clinical assessment.
<b>CW18</b>	Impact of deferred medical events – ability of employees to return to work within previously agreed timescales	↔	IM	Deferred medical events are being re-scheduled. Where delays have resulted in extended absence which has impacted on sick pay entitlement, measures are in place to extend pay for up to three months. Only two requests for extension to sick pay have been made to date.

Risk Ref.	Risk Title	Risk Trend	Mitigation Urgency	Mitigating Actions
CW28	Impact of Long COVID and the ability of employees to return to work within previously agreed/anticipated timescales.	↔	IM	Employees with long COVID, like other employees have their absence managed through the Council's Attendance Management Policy. Where there is a confirmed case of long COVID (via GP or other medical practitioner) the absence will not count towards triggers but payments will remain as per policy. We will however, consider an application for extension to sick pay in line with the other COVID related provisions on a case by case basis.

## Governance

### Governance - Information and systems

Risk Ref.	Risk Title	Risk Trend	Mitigation Urgency	Mitigating Actions
CG01	Cyber-attack through bogus Covid-19 email	↔	IM	Risk is being mitigated through the use of mail scanning tools and staff education. The likelihood of the risk can be mitigated. The impact will remain as significant due to the potential disruption to services and the continued attempts to compromise security.
CG02	Loss of data or system hack due to malware or the use of unauthorised apps	↔	IM	The security measures that we have in place in order to achieve PSN compliance continue to mitigate the risks.
CG04 Updated	Diversion of resource to emergency management response and recovery work delays implementation of key digital and infrastructure projects	↑	MT	The response to the emergency situation placed huge demand on the ICT Service to quickly develop and implement new ways of working and supporting technologies. This drew resource away from, and thus delayed, large infrastructure projects such as the move to Office 365. The completion of the move to Office 365 is time sensitive and the ICT Service is therefore prioritising the delivery of this project. In addition, new projects of high priority are also due to start and capacity within the ICT service is extremely stretched with external resources proving difficult to source.
CG14 Updated	Delay in or increased cost of obtaining digital devices due to demand	↑	MT	Increased delivery times and/or increased costs are occurring due to scarcity of digital devices in the market place. Projects being advised to set realistic timescales and the IT Service are working with suppliers to attempt to minimise these delays as much as possible. Lead times on equipment are currently increasing to a global chipset shortage.

### Governance - Governance and Control Recovery

Risk Ref.	Risk Title	Risk Trend	Mitigation Urgency	Mitigating Actions
CG07	Legal challenge to a decision made under temporary remote working legislation on the grounds of insufficient process/a lack of transparency	↔	IM	This risk continues to be managed by ensuring that we comply fully with Welsh Government regulations for the emergency period, and by following recognised good/required practice in meeting management e.g. publication of agendas, reports and minutes, due notice being given of meetings, only urgent items being taken forward for decision etc

Risk Ref.	Risk Title	Risk Trend	Mitigation Urgency	Mitigating Actions
CG08	Emergency legislation is repealed prematurely and before we are ready to resume normal services	↔	IM	Welsh Government has recently shared the expiry dates of all emergency legislation and agreed to extend dates if required, which has reduced the risk of resuming previous/full statutory duties prematurely.

#### Previously Closed Risks

Risk Ref.	Risk Title	Risk Trend	Mitigation Urgency	Mitigating Actions
CW01	Impact on Council ADM subsidies of our applications for Furlough being declined by HMRC under Government guidelines and interpretation resulting in additional costs to the Council	↓	IM	-
CW02	Impacts if pressure brought to apply temporary pay uplift (10%) to staff working in critical frontline teams by other Welsh LAs or other body (WLGA, JCW): (1) workforce division (2) potential grievances and Equal Pay claims from other occupational groups and (3) Affordability	↓	MT	-
CW04	Cost associated with retrospective approval of claims for overtime and other payments (i.e. ex-gratia)	↔	MT	-
CW08b	Insufficient resilience in regional capacity operational systems to support CW08a	Risk removed due to duplication with CW08a and CW09		
CG11	Insufficient information availability to provide an adequate annual statement of assurance	↓	IM	-

Risk Ref.	Risk Title	Risk Trend	Mitigation Urgency	Mitigating Actions
CG14	Inability to confirm insurance cover for claims/liability arising from the Council's role in TTP	↓	IM	-
CW02a	Administration of the Welsh Government decision to make a one-off payment to care workers causes a local administrative burden and has unfunded residual costs for the Council as an employer e.g. superannuation	↓	IM	-
CW05	Increase in cost from changes to sick pay policy for those whose recovery has been affected by cessation of or interruption to medical treatment	↓	MT	-
CW06	Insufficient availability of occupational work groups to restore services	↓	IM	-
CW09a	Inadequate funding availability from Welsh Government to support a regional TTP Programme	↓	IM	-
CW09b	Failure to secure partner agreement across the six local authorities and the Health Board to enter into a single regional TTP programme	↓	IM	-
CW15	The resilience of senior and supporting management following a long and demanding response phase	↓	IM	-

Risk Ref.	Risk Title	Risk Trend	Mitigation Urgency	Mitigating Actions
CW19	Impact of delayed bereavement leave – on attendance and mental health	↓	MT	-
CG06	Resumption of democratic processes reduces our capacity to support recovery work	↓	IM	-
CG12	Changes to established managerial and democratic systems results in challengeable decision-making	↓	IM	-
CG13	Changes to established managerial and democratic systems result in failure to properly authorise a decision	↔	IM	-
CW09c	The impacts on workforce planning of the unavailability of antibody testing	↔	IM	-
CG05	Loss of functional capacity due to the inability to use mass 'roll-out' of tools on devices being used at home	↔	IM	-
CG03	Data loss or inaccuracy due to disrupted ways of working	↔	IM	-
CW07	The operational impacts of managing high levels of accrued annual leave across multiple leave years	↔	MT	-
CW23	Impact on our workforce as a result of having to quarantine for 14 days on return to the UK from none exempt countries or territories	↔	IM	-
CG09	Technology and/or the functioning of remote	↔	IM	-

Risk Ref.	Risk Title	Risk Trend	Mitigation Urgency	Mitigating Actions
	meetings impedes inclusive and effective decision-making			
CG10	Technology failure during member meeting prevents or undermines inclusive and effective decision-making	↔	IM	-
CW26	The impact on workforce planning in critical work groups as a result of facilitating COVID vaccinations to key workers.	↔	IM	-
CW20a	Impact on our workforce due to schools operating in a different way and the requirement for working parents to assist with home schooling during normal working hours	↔	MT	-
CW20	Impact on our workforce due to schools operating in a different way and the impact on working parents whose role does not allow them to work from home, or who have caring responsibilities for children or other dependents	↔	IM	-
CF06	Insufficient reserves remain following the response phase	↔	IM	-

Risk Ref.	Risk Title	Risk Trend	Mitigation Urgency	Mitigating Actions
CF20	Insufficient capacity to deliver grants and rate relief whilst also recovering lost income/debts may impact debt recovery capacity	↔	MT	-
CF09	Budget impacts of additional demand under the CTRS due to a shortfall in Government subsidy	↔	IM	-
CF17	Budget instability due to the continuation of unplanned expenditure e.g. the operation of additional residential care homes and without additional Government grant	↔	MT	-
CW01a	Impact on the ADMs of the introduction of tapered Government financial contributions to the ADMs under the adjusted Furlough Scheme	↔	IM	-
CW08a	The availability and responsiveness of the regional antigen testing service to support the health and resilience of the workforce	↔	IM	-
CW12	Impact of changes to service performance/continuity from any changes to service models in the recovery phase	↔	MT	-

Risk Ref.	Risk Title	Risk Trend	Mitigation Urgency	Mitigating Actions
CW25	Impact on International/European PPE supply chain following Brexit	↔	MT	-
CW13	Increase in workforce turnover due to new competition for public sector occupational groups in the employment market and/or employees making personal life choices	↔	MT	-