

# **BROMSGROVE DISTRICT COUNCIL**

## **Audit, Standards and Governance Committee 23<sup>rd</sup> May 2024**

### **Quarterly Risk Update Q4 2023/4**

Relevant Portfolio Holder	Councillor Colella
Portfolio Holder Consulted	Yes
Relevant Head of Service	Debra Goodall, Head of Finance and Customer Services
Report Author Peter Carpenter	Job Title: Director of Resources/Deputy Chief Executive Contact Pete Carpenter email: peter.carpenter@bromsgroveandredditch.gov.uk Contact Tel:
Wards Affected	All
Ward Councillor(s) consulted	N/A
Relevant Strategic Purpose(s)	Aspiration, work and financial independence
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

#### **1. SUMMARY**

This report sets out Council activity to identify, monitor and mitigate risk.

#### **2. RECOMMENDATIONS**

**The Committee/Cabinet is asked to consider:**

- The present list of Corporate and Departmental Risks and request any additional risks to be considered.

#### **3. KEY ISSUES**

##### **Background**

- 3.1 In 2018/19, an audit of Risk Management provided an assurance level of limited assurance due to weaknesses in the design and inconsistent application of controls. As a result of the audit, a review was commissioned and undertaken by Zurich Municipal to consider the Council's risk management arrangements and to advise of any recommendations. In response to the Zurich review a Risk Management Strategy was produced for both Bromsgrove District Council and Redditch Borough Council.
- 3.2 A follow-up review was carried out by Internal Audit in March 2021 (Final Report June 2021) with the purpose of identifying what progress had been made against the Risk Management Strategies. At that time there was a lack of evidence that the actions within the Risk Management Strategies had been fully completed and embedded within the Councils and therefore no assurance could be given.

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- 3.3 This is now the seventh cycle of reviewing Corporate and Departmental Risks since the original baselining of Risks in April 2022. Over this period, we have seen:
- Departmental ownership of risks and reviews at Management Teams on a monthly basis.
  - Active review, mitigation, and reduction of risks – ensuring they become managed as part of business as usual.
  - Updating of the 4Risk System – as the Authorities repository of this information.
  - That the Officer Risk Group have actively reduced risk numbers through their work and that a common approach to risk is now being embedded within the organisation.
  - That the Risk Level has moved to a **Moderate Assurance** level in May 2023.

### The Definition of a Corporate Risk

- 3.4 The Council has existing Corporate and Departmental Risks. Members of the Risk Board were not sure of the link on how Risks on system had become Corporate in nature.
- 3.5 The following definition of a of how Risks move from being “departmental” to being “corporate” in nature was recommended by the Risk Group and approved by CMT.

“For a **Risk** to move from being **Departmental** in nature to being **Corporate** in nature that it ***must have significant impact on Councils finances, be cross departmental in nature and/or result in Serious reputational damage.*** The Officer Risk Board will vet departmental risks using this definition to move then to Corporate Risks at their quarterly meetings.”

- 3.6 At the June 2022 Officer Risk Board it was agreed that “Green” Departmental Risks should be taken off this list if they have been to two consecutive meetings and mitigating actions have been fully put into place for them. This report takes account of this requirement being six meetings since the original baseline was reported.

### Corporate Risks

- 3.7 Corporate Risks are summarised in the following table. There is now an additional corporate risk linked to the General and Local Elections that will take place within the next 10 months. Depending on the level of change this could lead to a period of uncertainty. As the table below highlights, a number of the existing risks have been revised due to impacts of mitigations in those areas and the national economic and political position.

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	Pos Q1	Pos Q2	Pos Q3	Pos Q4	Corporate Risk Description
Both	COR 9	COR 9	COR 9	COR 9	Non-Compliance with Health and Safety Legislation
Both	COR 10	COR 10	COR 10	COR 10	Decisions made to address financial pressures and implement new projects that are not informed by robust data and evidence
Both	COR 14	COR 14	COR 14	COR 14	Nonadherence with Statutory Inspection Policy
Both	COR 15	COR 15	COR 15	COR 15	Impact from Changes to Partner Funding Arrangements
Both	COR 16	COR 16	COR 16	COR 16	Management of Contracts
Both	COR 17	COR 17	COR 17	COR 17	Resolution of the Approved Budget Position
Both	COR 18	COR 18	COR 18	COR 18	Protection from Cyber Attack
Both	COR 19	COR 19	COR 19	COR 19	Adequate Workforce Planning
Both	COR 20	COR 20	COR 20	COR 20	Financial Position Rectification
Brom	COR 21	COR 21	COR 21	COR 21	BROMSGROVE DC Being placed into special measures due to quality of planning application decisions
Both	COR 22	COR 22	COR 22	COR 22	Delivery of Levelling Up, UK SPF Initiatives
Both	COR 23	COR 23	COR 23	COR 23	Cost of Living Crisis
Both	COR 24	COR 24	COR 24	COR 24	New Customer Facing Interface
Both			COR25	COR25	Environment Bill
Both				COR26	General and Local Election

Note, Appendix A sets out the complete listing of Departmental Risks. These have been linked to Corporate Risks where relevant.

#### 3.8 Mitigating factors for the Corporate Risks are:

**Non-Compliance of Health and Safety Data Standard Operating Procedures - SOP** (H&S etc) Health and Safety Committee meets regularly H & S training for staff Health checks DSE assessment and reporting software First Aid training in place Safeguarding

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Policy and procedures Risk Assessments Updated inspection policy Regular review of policies Continued updates to Health and Safety Committee Data on intranet. The Council's Health & Safety arrangements are in the process of being audited externally and a report will be forthcoming.

There are four departmental risks linked to this corporate risk.

#### **Projects being informed by robust data and evidence –**

Cabinet have now approved an updated Project Management Process and extra resource, based on work initially highlighted by the Audit Task Group work in February 2023. Due to this risk level has reduced from Amber to Green. Once the new structure is in steady running it will come off this register as those risks will be dealt with locally as that framework will be in place.

**Non-Adherence with the statutory inspection policy** - Specialist resource in place to support delivery actions.

- Further review of monitoring arrangements
- Further implementation of insurance recommendations
- Contracts reviewed to ensure suppliers undertake roles
- Training plan developed to ensure staff clear of responsibilities
- Development of robust action plan

There are nine departmental risks linked to this corporate risk. Should this not be delivered the consequences are significant, including threat to life.

**Impact from changes to partner funding arrangements** - Council Members are on WRS Board and S151 Officer is the S151 Officer for the WRS therefore will know of issues well before they happen. There is a reserve, which required approval for use from all partners. This remains a Corporate Risk as the impact of a partner leaving or stopping services might make delivery unviable for others. This had been increased to an amber rating due to budgetary pressures at Partner organisations however agreement has now been reached and the level is again green.

**Management of contracts** - Procurement Strategy was updated by C Young and training provided. Service Protocols, setting out expectations of service user and procurement went live 1st Jan 23 and now being monitored. No PO No Pay Policy went live on the 1<sup>st</sup> April 2023 and reports are going to Cabinet quarterly setting out new requirements in terms of contracting and transparency for the upcoming year as part of the quarterly Finance and Performance Report. The changes to procurement legislation due on the 1<sup>st</sup> April 2024 will now take place in October 2024 and processes will be updated accordingly. This remains a key Corporate Risk due to the magnitude of contracts under management and the impact of the changes that will come into effect in October.

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There are four departmental risks linked to this corporate risk.

**Resolution of the approved budget position** - MTFP process is now two stages, and this was followed for both the 2023/4 and 2024/5 budgets. The final MTFP contains the S151 Officer's robustness statement which is key to sign off of a sustainable budget. Budget working group in both councils scrutinise proposals before Cabinet. Certainty of medium-term government support means this remains a significant risk for the authority. However, given that both Councils have balanced budgets for the present 3-year MTFP periods, especially compared to neighbouring Councils and the opinion of our Bankers that we are in a comparatively strong position, we have reduced the risk level to the lowest level. This might change but will be linked to the new Local and General Election Risk.

**Protection from cyber-attack** – weekly penetration test, annual PSN Security Audit, regular internal audits, occasional LGA audit, Cyber Insurance requirements. In addition, we are also implementing KnowBe4, a new software tool for both officers and Members. Cyber Insurance has also been extended for a further year but importance and risks in this area have moved this risk to red despite all the mitigations in place. A recent Internal Audit has highlighted possible risk areas across a number of systems which will now require mitigating.

There are two departmental risks linked to this corporate risk.

**Adequate workforce planning** - Workforce plan was launched in the summer and services now know their high-risk areas and the wider scheme is there to help mitigate risk through loss of staff. The challenges remain on delivering to these high-risk areas. Three departmental risks are linked to Workforce Planning. There is now a specific workstream, linked to Projects risk, on the implementation of this initiative. This needs to be integrated into or wider management processes.

There are three departmental risks linked to this corporate risk.

**Financial position rectification** - Audit Committee reports set out progress on the financial recovery process back to Cabinet, Audit & Council. Risk has now been uprated to Red due to lack of clarity from the Government over Audit deadlines. An updated S24 Statement was issued in October 2023 and the Councils both hold significant risk in that they will run out of time for the 20/21, 21/22 and 2022/23 Audit processes. Quarterly Operational reporting is taking place and Council is delivering to the Key Recommendations of the 2020/21 and 2021/22 & 2022/23 Draft External Audit Reports. The issues in relation to debt management will remain until the suspense accounts are cleared which is programmed to take place by the end of the Calendar year. It should be noted that once the opening balances are signed off, the Council will be in the same position of the majority of other Councils in England – for which over 700 Audits up to 2022/3 remain outstanding.

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**Bromsgrove Planning Issues** - Decisions which could influence statistics are discussed at management level. Principal officers aware of risk. Statistics are monitored quarterly. External advice re good practice and member training provided. This issue is still not resolved and additional work is being undertaken to establish present quality thresholds, however a decision is understood to be imminent. Although it is now unlikely that the Council will breach these thresholds their impact would be significant.

**Delivery of Levelling Up, and UKSPF Projects** – There is a monthly project Board overseeing all projects. Formal governance structures for levelling up and Towns Fund projects. The biggest issue in all these workstreams remains delivery before the funding deadlines and present cash flow show one project out of the three not being able to deliver within present Grant Funding timescales. Bromsgrove have now received an extension for its Levelling Up funding until September 2025. All these schemes are presently in design and about to move into delivery – there is the significant risks that costs might rise considerably which could lead to significant cost engineering/redesign and eat into limited time for delivery.

**Cost of Living Crisis** - Housing Register Access to Housing Benefit and Universal Credit Council budget. We are also noting an increase in insurance claims due to fires which are linked to this. Our Partnership Boards also guide people to alternate providers of support. We understand this impacts different stakeholder Groups in different ways and need ways of evaluating the impact on them and the Council's services.

**New Customer facing interface** - Presently delivered by a number of systems that are not linked together and require manual intervention for internal reporting. This has increased in risk to Red due to the volume of work required in relation to the ensuring the Council's data is up to date and can be used directly by our customers in self-service interfaces. A work stream is due to report back in Q1 of 24/5 that sets out data deficiencies and rectification routes.

**The Environment Bill** - New Statutory Requirements for delivery of a dedicated Food Waste Service, and changes to materials requiring collection by both Domestic & Commercial Waste Services. Financial impact on Councils to deliver new services. Primarily increased revenue costs on staff and vehicle operation and maintenance. Offset by Capital funding from Central Government to support assets related to "new burdens". Mitigation is partnership working with Worcestershire Waste Board and Members Task group to review requirements and future service delivery direction. Jointly funded partnership role by all Worcestershire LAs to support this work, alongside support from WRAP (Environmental NGO specialising in the Waste Industry)

**General and Local Elections** - The General Election has the implications of significant policy and funding changes for the Local Government sector. To mitigate risks the Council

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has election protocols, induction processes, and runs a two stage MTFP process, however the magnitude of change might well lead to a period of uncertainty.

It should be noted that there are potentially two other corporate risks. One is Terrorism Protection, where government guidance is about to come out. The other is the financial position at Birmingham which we are already seeing the impact in terms of fly tipping on the Councils stakeholders and services.

### **Departmental Risks**

3.9 The Council procured the 4Risk system to manage its risks. Risks are subdivided into Corporate Risks and then Departmental Risks. Each risk has an individual record applied to it to ensure all the pertinent information is captured.

The original Risk Baseline in April 2022 was (as shown in Appendix B):

- 105 Departmental Risks – 15 Red, 35 Amber, 55 Green.  
This reduced through the first set of reviews in June 2022 to:
- 82 Departmental Risks – 2 Red, 29 Amber, 51 Green.  
The next set of reviews in December reduced this number further to
- 55 Departmental Risks – 2 Red, 21 Amber, 32 Green.  
The third Set of reviews in March 23 reduced this number to
- 51 Departmental Risks – 1 Red, 25 Amber, 25 Green.  
The fourth set of reviews in June 23 reduced the number to
- 43 Departmental Risks - 1 Red, 26 Amber, 16 Green  
The fifth set of returns in September 23 the number remained at 43
- 43 Departmental Risks - 1 Red, 26 Amber, 16 Green
- The sixth set of returns in December 23 the number reduced to 39

### 3.10 **Position as at the 31<sup>st</sup> December 2023**

<b>Service Area</b>	<b>Red</b>	<b>Amber</b>	<b>Green</b>	<b>Total</b>
<b>Customer Access and Financial Support</b>	1	6	4	<b>11</b>
<b>Finance</b>	0	1	0	<b>1</b>
<b>Environmental Services</b>	0	5	1	<b>6</b>
<b>Leisure &amp; Cultural Services</b>	0	1	0	<b>1</b>
<b>Legal, Equalities, Democratic Services &amp; Property</b>	0	3	2	<b>5</b>
<b>ICT</b>	0	2	0	<b>2</b>

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<b>Planning Services</b>	0	1	0	1
<b>Housing</b>	0	6	2	8
<b>Community Services</b>	0	0	3	3
<b>HR</b>	0	0	1	1
<b>Total</b>	1	25	13	39

3.11 Position at the 31st March 2024 is 43 departmental risks.

<b>Service Area</b>	<b>Red</b>	<b>Amber</b>	<b>Green</b>	<b>Total</b>
<b>Customer Access and Financial Support</b>	2	5	3	11
<b>Finance</b>	0	2	1	1
<b>Environmental Services</b>	0	6	1	6
<b>Leisure &amp; Cultural Services</b>	0	1	0	1
<b>Legal, Equalities, Democratic Services &amp; Property</b>	0	3	2	5
<b>ICT</b>	0	2	0	2
<b>Planning Services</b>	0	1	0	1
<b>Housing</b>	0	6	3	8
<b>Community Services</b>	0	2	2	3
<b>HR</b>	0	0	1	1
<b>Total</b>	2	28	13	43

3.12 The table at Appendix A sets out the detail of these departmental Risks and links them where relevant to Corporate Risks.

The Red Risk are now 2. One continues to be REV7 - Revenues - Performance Indicator data is not robust. The other is Revenue Data Compliance.

WRS risks, as per their Board Pack for June 2023 are attached at Appendix C.

3.13 This is an increase of 4 risks since the last report.

3.14 This report sets out the position a year following the initial baselining of council risks. This is the seventh review, following the implementation of the Action Plan due to the "No Assurance" internal Audit reports. The key point a year in is to ensure that risk management is embedded within the organisations:

- Officer Risk Board continues to take place quarterly to embed processes and validate Risks on the register.
- Each department has nominated a representative to a Risk Board. These report back to management teams who ensure Departmental Risk Registers are updated at least quarterly and discussed at management teams monthly.



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- The Audit Committees of both Councils reviewed Risk Registers on a quarterly basis. These reports have also been presented to Cabinet although this has stopped after June 2023 as this should be a function of the Audit Committees.
- CMT are updated on risk management issues in their monthly “assurance” meeting, which is a week after the Risk Board meets on a quarterly basis.
- The Corporate Risk Register is now discussed as an early item on the agenda at meetings of the Audit, Standards and Governance Committee, as per the Audit Task Group’s recommendation.
- The Risk Level has moved from a Limited Assurance in March 2022 to a Moderate Assurance in May 2023.

### **In terms of departmental lists:**

- 3.15 Community risks, even though many are green, are still all relevant as departmental and cannot be moved to the lower level of “business as usual”. The most significant risk is now the Safeguarding Risk which affects all service areas. There is a new Red Risk linked to data quality in Revenues services. There have recently been two issues that are linked to safeguarding. Because of these end-to-end processes are being reviewed.
- 3.16 The majority of Housing risks are compliance led.
- 3.17 There is a new risk in finance linked to staff non-compliance of procurement processes. This will be mitigated by additional training.
- 3.18 The Building Control risk will become more focused towards the end of the financial year as if Building Control staff are not accredited, we cannot use them. This will also possibly limit the number of staff available in the agency market.
- 3.19 Given the significant cyber risks faces by Council’s, as noted in the Corporate Risks section, it is important Members and Officers engage to mitigate this risk. Using KnowBe4 functionality is assisting and the associated penetration tests is assisting in mitigating this risk for both Members and Staff. As noted earlier, the Council have successfully renewed their cyber insurance policy.
- 3.20 We are reviewing all our assets as there is a significant impact on EPC (Energy) ratings and what will be allowable after 2026. This could have significant cost impacts for the Council.

### **Insurance**

- 3.21 We have successfully renewed our Cyber insurance. It seems that the markets have settled down following the issues we had in renewing in 2022 and the premium has only increased marginally.

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- 3.22 The Council are in their final year of the present insurance contracts, these will be renewed next year. The Council is now running a year after other Worcestershire Councils who are renewing in this financial year. As such, the Council is just renewing/extending its contracts for a single year. An issue remains Property information. Insurers are now requesting significantly more detail and it will take 12 months to get data to the required standard. This issue does highlight a deficiency in property data capture – which links to the Corporate Customer Risk linked to data.
- 3.23 In assessing renewal data we have seen a large reduction in trips/slips, although this could be due to more of the population working from home and potholes is not the issue in Bromsgrove that it is in other areas.

### **The Risk Management Framework**

- 3.24 Risk Management Training. Given the active management of risks by service departments, we have seen numbers of departmental risks reduced by over 50% although Corporate Risks have increased by 20%. There is the requirement for Corporate Risk training (Members and Officers) and existing processes need further embedded in the organisations to increase assurance.

### **4. Legal Implications**

- 4.1 No Legal implications have been identified.

### **5. Financial Implications**

- 5.1 The Council spend significant sums insuring itself and must also hold Reserves to mitigate the costs of risks should they happen. A comprehensive Risk Management approach ensures risk and its consequences, including financial ones, are minimised.

### **6. Strategic Purpose Implications**

#### **Relevant Strategic Purpose**

- 6.1 A comprehensive Risk Management approach ensures **Risk and its Consequences** is minimised for the Council.

#### **Climate Change Implications**

- 6.2 The green thread runs through the Council plan. This includes risks linked to activities and actions that link to our climate.

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### **7. Other Implications**

#### **Customer / Equalities and Diversity Implications**

- 7.1 If risks are not mitigated it can lead to events that have Customer/Equalities and Diversity implications for the Council.

#### **Operational Implications**

- 7.2 Risks are inherent in almost all the Councils operational activities and therefore significant risks need to be identified, monitored and mitigated.

### **8. RISK MANAGEMENT**

- 8.1 This report is about Risk Management.

### **9. APPENDENCES**

Appendix A – Present Departmental Risks  
Appendix B – Previous Risk Management Reports  
Appendix B – WRS Risk Report

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#### Appendix A - Present Departmental Risks

Council	Q1	Q2	Q3	Q4	Risk Description	Corp Risk
Both	BEN 1	BEN 1	BEN 1	BEN 1	Fail to effectively resource the service to meet demand	COR 9
Both	BEN 3	BEN 3	BEN 3	BEN 3	Impact of Welfare Reform Act	
Both	BEN 6	BEN 6	BEN 6	BEN 6	Impact of ELF scheme	
Both	BEN 7	BEN 7	BEN 7	BEN 7	Benefits subsidy	
Both	BEN 9	BEN 9			Failure to meet Audit requirements	
Both	CUS 3	CUS 3	CUS 3		Failure to deal with complaints to customers satisfaction	
Both	CUS 7	CUS 7	CUS 7	CUS 7	RBC/BDC Fail to ensure the adequate security arrangements for Customer Service Centres	COR 9
Both	REV 4	REV 4	REV 4	REV 4	Failure to effectively manage change	
Both	REV 7	REV 7	REV 7	REV 7	Performance Information data is not robust	
Both	REV 11	REV 11	REV 11	REV 11	Reduced collection rates	
Both	REV 12	REV 12			Failure to meet Audit requirements	
Both	REV 16	REV 16	REV 16		Maintenance and Recovery of Collection Performance Post Covid	
Both	REV 17	REV 17	REV 17	REV 17	Failure of corporate Fraud and Compliance team	
Both				Rev18	Data Compliance	COR24
Both	FIN 1	FIN 1	FIN 1	FIN 1	Fail to provide adequate support to managers to manage their budgets	COR10
Both	FIN 4	FIN 4		FIN4	Fail to effectively manage high value procurements resulting in breach of EU procurement rules.	COR16

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Both				FIN7	Purchasing Non-Compliance	COR16
Both	ENV 7	ENV 7	ENV 7	ENV 7	Fail to adequately maintain and manage car parking and On Street enforcement	
Both	ENV 9	ENV 9	ENV 9	ENV 9	Avoidable damage to fleet arising from staff behaviour and non-compliance	
Both	ENV 10	ENV 10	ENV 10	ENV 10	Fail to ensure adequate Health & Safety across the service	COR 9
Both	ENV 11	ENV 11	ENV 11	ENV 11	Fail to engage with the WCC regarding land associated with highway maintenance	
Both	ENV 20	ENV 20	ENV 20	ENV 20	Workforce planning	COR19
Both	ENV 22	ENV 22	ENV22	ENV 22	PDMS - New Environmental database	
Both				ENV 23	Environmental Enforcement	
Both	L&C 2	L&C 2	L&C 2	L&C 2	Fail to ensure the health & safety of the Public / Staff and visitors using services (meeting regulatory requirements)	COR 9
Both	LED 9	LED 9	LED 9	LED 9	Failure to ensure that Council Owned buildings, Property Assets and Facilities remain fit for purpose now and for the future.	
Both	LED 10	LED 10	LED 10	LED 10	Fail to optimise the income from Commercial properties	
Both	LED 11	LED 11	LED 11	LED 11	Fail to effectively manage property assets	
Both	LED 12	LED 12	LED 12	LED 12	Fail to effectively manage the disposal of assets as part of asset disposal programme	
Both	LED 13	LED 13	LED 13	LED 13	Bromsgrove Leisure Contract	COR16
Both	ICT 4	ICT 4			Breach of Data Protection – disclosure of data / staff not aware of guidelines	COR18

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Both	ICT 7	ICT 7	ICT 7	ICT 7	Failure to identify, maintain and test adequate disaster recovery arrangements	COR18
Both	ICT 15	ICT 15	ICT 15	ICT 15	Members and Data protection Training	
Both	PLA 11	PLA 11	PLA 11	PLA 11	Loss of effective Building Control service due to changes in legislation / Hackett / Grenfell	COR19
Red	HOU 2	HOU 2	HOU 2	HOU 2	Fail to effectively manage housing repairs and maintenance	COR14
Both	HOU 7	HOU 7	HOU 7	HOU 7	Fail to manage impact of increasing homelessness cases and Recruitment challenges	COR19
Both	HOU 10	HOU 10	HOU 10	HOU 10	Fail to effectively manage capital projects (also the right contracts are put in place, internal and external)	
Both	HOU 14	HOU 14	HOU 14	HOU 14	Failure to complete annual gas Safety Inspections	COR14
Both	HOU 19	HOU 19	HOU 19	HOU 19	Failure to comply with Charter for Social Housing and the Regulator	COR14
Both	HOU 21	HOU 21	HOU 21	HOU 21	Non-compliance with Asbestos Regulations	COR14
Both	HOU 22	HOU 22	HOU 22	HOU 22	Non-compliance with Regulatory Reform (Fire Safety) Order 2005 - Blocks of flats and communal entrances	COR14
Both	HOU 27	HOU 27	HOU 27	HOU 27	Failure to comply with IEE regulations	COR14
Both	HOU 28	HOU 28	HOU 28	HOU 28	Damp and Mould In Council Housing	COR14
Both	COM 3	COM 3	COM 3	COM 3	Safeguarding - Inadequate child and adult protection systems/process.	COR14
Red	COM 16	COM 16	COM 16	COM 16	Lifeline - Impact of the telephony network digital upgrade on the service	
Both	COM 17	COM 17	COM 17	COM 17	Starting Well Partnership – underperformance of contract	COR16

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Both	COM 18	COM 18	COM 18	COM 18	Social Prescribing – underperformance of contract	COR16
Both	HR 2	HR 2	HR 2	HR 2	Fail to monitor and respond to changes in employment legislation	COR14

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### **Appendix B - Previous Quarters Risk Reports**

The baseline risks April 2022 are included in the following table – this is prior to any Risk Board meetings.

<b>Service Area</b>	<b>Red</b>	<b>Amber</b>	<b>Green</b>	<b>Total</b>
Customer Access and Financial Support	12	20	13	45
Finance	0	0	4	4
Environmental Services	0	2	11	13
Leisure & Cultural Services	0	3	3	6
Legal, Equalities and Democratic Services	0	0	7	7
ICT	2	4	5	11
Planning Services	0	1	1	2
Housing	0	4	5	9
Community Services	1	1	5	7
HR	0	0	1	1
<b>Total</b>	<b>15</b>	<b>35</b>	<b>55</b>	<b>105</b>

After the Risk Board on the 22<sup>nd</sup> June, the following changes have been made which saw the number of risks reduce as follows to 82 risks

<b>Service Area</b>	<b>Red</b>	<b>Amber</b>	<b>Green</b>	<b>Total</b>
Customer Access and Financial Support	0	6	12	18
Finance	0	2	2	4
Environmental Services	0	2	11	13
Leisure & Cultural Services	0	3	3	6
Legal, Equalities, Democratic Services & Property	0	3	9	12
ICT	2	6	2	10
Planning Services	0	2	1	3
Housing	0	3	4	7
Community Services	0	2	6	8
HR	0	0	1	1
<b>Total</b>	<b>2</b>	<b>29</b>	<b>51</b>	<b>82</b>

The two departmental red risks are:

- ICT 7 - Failure to identify, maintain and test adequate disaster recovery arrangements
- ICT 11 - System functionality to manage records



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After the Risk Board on in December 22, the following changes have been made which saw the number of risks reduce as follows to 55 Risks:

<b>Service Area</b>	<b>Red</b>	<b>Amber</b>	<b>Green</b>	<b>Total</b>
Customer Access and Financial Support	1	5	10	<b>16</b>
Finance	0	2	2	<b>4</b>
Environmental Services	0	5	3	<b>8</b>
Leisure & Cultural Services	0	1	0	<b>1</b>
Legal, Equalities, Democratic Services & Property	1	1	5	<b>7</b>
ICT	0	2	2	<b>4</b>
Planning Services	0	1	0	<b>1</b>
Housing	0	3	4	<b>7</b>
Community Services	0	1	5	<b>6</b>
HR	0	0	1	<b>1</b>
<b>Total</b>	<b>2</b>	<b>21</b>	<b>32</b>	<b>55</b>

#### **Red Risks – 2 in total**

- REV7 - Revenues - Performance Indicator data is not robust.
- LED13 - Legal – Bromsgrove Leisure Contracts.

The previous two ICT Risks have been mitigated.

After the Risk Board on in March 23, the following changes have been made which saw the number of risks reduce as follows to 51 Risks:

<b>Service Area</b>	<b>Red</b>	<b>Amber</b>	<b>Green</b>	<b>Total</b>
<b>Customer Access and Financial Support</b>	1	6	9	<b>16</b>
<b>Finance</b>	0	2	0	<b>2</b>
<b>Environmental Services</b>	0	5	3	<b>8</b>
<b>Leisure &amp; Cultural Services</b>	0	1	0	<b>1</b>
<b>Legal, Equalities, Democratic Services &amp; Property</b>	0	3	2	<b>5</b>
<b>ICT</b>	0	2	1	<b>3</b>
<b>Planning Services</b>	0	1	0	<b>1</b>
<b>Housing</b>	0	4	4	<b>8</b>
<b>Community Services</b>	0	1	5	<b>6</b>
<b>HR</b>	0	0	1	<b>1</b>
<b>Total</b>	<b>1</b>	<b>25</b>	<b>25</b>	<b>51</b>

#### **Red Risks – 1 in total**

REV7 - Revenues - Performance Indicator data is not robust

## **BROMSGROVE DISTRICT COUNCIL**

### **Audit, Standards and Governance Committee 23<sup>rd</sup> May 2024**

Position as at the 22<sup>nd</sup> June 2023

<b>Service Area</b>	<b>Red</b>	<b>Amber</b>	<b>Green</b>	<b>Total</b>
<b>Customer Access and Financial Support</b>	1	6	6	<b>13</b>
<b>Finance</b>	0	2	0	<b>2</b>
<b>Environmental Services</b>	0	5	1	<b>6</b>
<b>Leisure &amp; Cultural Services</b>	0	1	0	<b>1</b>
<b>Legal, Equalities, Democratic Services &amp; Property</b>	0	3	2	<b>5</b>
<b>ICT</b>	0	2	1	<b>3</b>
<b>Planning Services</b>	0	1	0	<b>1</b>
<b>Housing</b>	0	6	2	<b>8</b>
<b>Community Services</b>	0	0	3	<b>4</b>
<b>HR</b>	0	0	1	<b>1</b>
<b>Total</b>	<b>1</b>	<b>26</b>	<b>16</b>	<b>43</b>

**Red Risks – 1 in total**

REV7 - Revenues - Performance Indicator data is not robust

Position as at the 30<sup>th</sup> September 2023

<b>Service Area</b>	<b>Red</b>	<b>Amber</b>	<b>Green</b>	<b>Total</b>
<b>Customer Access and Financial Support</b>	1	6	6	<b>13</b>
<b>Finance</b>	0	2	0	<b>2</b>
<b>Environmental Services</b>	0	5	1	<b>6</b>
<b>Leisure &amp; Cultural Services</b>	0	1	0	<b>1</b>
<b>Legal, Equalities, Democratic Services &amp; Property</b>	0	3	2	<b>5</b>
<b>ICT</b>	0	2	1	<b>3</b>
<b>Planning Services</b>	0	1	0	<b>1</b>
<b>Housing</b>	0	6	2	<b>8</b>
<b>Community Services</b>	0	0	3	<b>4</b>
<b>HR</b>	0	0	1	<b>1</b>
<b>Total</b>	<b>1</b>	<b>26</b>	<b>16</b>	<b>43</b>

**Red Risks – 1 in total**

REV7 - Revenues - Performance Indicator data is not robust

# BROMSGROVE DISTRICT COUNCIL

## Audit, Standards and Governance Committee 23<sup>rd</sup> May 2024

### Appendix C - Worcester Regulatory Services Risks

Risk Description	Consequences	When is this likely to happen	Current Position			Control measures
			Likelihood	Impact	Matrix RAG Status	
Loss of Data through IT failures	Disruption to Service Provision.  Inability to produce records and data.	On-going	Low	High	<b>Green</b>	Wyre Forest ICT has effective processes and business continuity plans in place. WFDC upgraded relevant systems including Windows. The service moved to Office 365 during 2021/22, which provides better access to a range of provisions including Microsoft Teams and Power BI.
Issues with the WRS database system	Impact on work planning.  Self-help may not enable savings required  Hidden costs with add-on features	On-going	Low	High	<b>Amber</b>	Current contract due to be re-negotiated in February 2023. Work has commenced on negotiating new contract. The cost of moving systems is prohibitive currently and, whilst the system has its faults, it provides the necessary functionality and will allow the enablement of data transfer from electronic forms.
Effective and efficient Business Continuity arrangements in place	Disruption to service if e.g., Major Power failures or other reasons that access to Wyre Forest House is not possible.	On-going	Very Low	Medium	<b>Amber</b>	The pandemic has shown that we were well prepared for the need to maximise working from home and now all staff, including some previously regarded as office based can do this. Touchdown stations remain available in partner council locations. WRS Managers do need to redraft contingency plans in the event of a prolonged IT failure or cyber-attack that will allow services to be maintained. Existing BC Plans need updating and reviewing.
Maintain our capacity to achieve service delivery	Disruption to service e.g., Major staff sickness (e.g., flu pandemic) or  Unable to recruit or retain suitably qualified staff.	On-going	Low	Medium	<b>Amber</b>	The pandemic response has shown that the service was well-placed to respond to what was required.. Consultants are available to provide short term cover and, whilst this worked well in peacetime to cover peak demand periods, the pandemic has revealed the
					<b>Amber</b>	limits to this type of capacity. These pressures will only be resolved in the longer term by local and central government investing in additional capacity and additional training to bring more people into the regulatory professions.  Having taken on contracts with additional authorities the demand has increased, and neighbouring authorities have lost the ability to assist with some technical specialisms. This is the double-edged sword of effectively operating as a centre of excellence. Whilst we have good resource of our own, in event of an issue, there are limits to who we can ask for help.  Regional and sub-regional groups are in place so can provide shared resources for local authorities if required.  Effective training and development processes are in place to ensure recruitment and retention of staff. There is increased training budget pressure, reduced technical knowledge in neighbouring authorities and increased importance in maintaining heightened skills for contractual obligations and commercial edge.  Regular inventory and maintenance of equipment is undertaken. In the future, budget for replace may be an issue but would be a relatively small amount for partners to share.
Pest contractors cease operations.	Disruption to service.  Negative media coverage.  Increased public health risks	On-going	Low	High	<b>Green</b>	The Pest control framework contract has multiple pest control suppliers so the loss of one allows work to be moved to the others. This should limit or eliminate risk, although the unlikely loss of multiple companies might create capacity issues.

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# BROMSGROVE DISTRICT COUNCIL

## Audit, Standards and Governance Committee 23<sup>rd</sup> May 2024

Effective and efficient contract arrangement for dog control	Disruption to service if no kennels available. Negative media coverage.  Increased public health risks	On-going	Low	High	Amber	The Out of Hours and Kennelling contracts were re-tendered to enhance the existing arrangements and provide resilience however there are increases in numbers of stray dogs, dog disease and contracts are restricted by geographical location. Retendering for additional kennels remains difficult and consideration may be given to creating our own capacity.
Hosting support does not deliver necessary financial and HR support to ensure efficient management	Efficiency of management reduced; staffing issues remain unaddressed, and performance suffers	On-going	Low	High	Amber	Issues with the new BDC finance system have mainly been resolved, however some workarounds remain in place due to some unforeseen issues. Development of a self serve recruitment platform has improved recruitment systems.
One or more partners continue to be under great financial pressure and may consider alternatives to the partnership to deliver their service	Creates reputational issues for remaining partners and increases the need to manage overheads. Difficulties in delivering highly varied levels of service	On-going	Medium	High	Amber	New legal agreement limits variations in contribution before partners must move to contractual relationship but this is quite high before it kicks in (20%.) Leanness of organisation minimises overheads and focuses resource at the front line. Growth strategy should generate income to support partners in the future but there are limits to this without additional capacity being added to the system. Invest to save capacity has been committed by partners to see if this achieves the necessary outcomes but even this is now fully occupied.
Robust arrangements in place in relation to obtaining legal advice and monitoring legislative changes.	Loss of cases is costly and damages reputation.	On-going	Low	Medium	Green	Continued close working with BDC legal team and other partners who don't use BDC for advocacy. Technical and legal training days for staff. Difficulty in keeping informed of Case Law developments. Membership and attendance of Officer Technical Groups outside the County does assist.
Service provision complies with Government requirements	Adverse comments following audits e.g., FSA	On-going	Low	High	Amber	Limited detail of what is required for statutory minima can make decision making difficult around what is required in law as a minimum.
	Intervention by Government bodies i.e., FSA, whilst highly unlikely, is damaging to reputation.				Amber	The LGA is clearly aware of impact of budget reductions on regulation and has made it clear Government cannot expect what it had previously. Fewer interventions/ audits by government.  The Service has developed systems that follow the principles of the requirements of bodies like FSA so can show some level of compliance, but service isn't operating to the letter of the current Code. The Code is however currently going through major changes and likely to move to a point where it is closer to the WRS model of operation.  Environmental reporting for Local Air Quality Management, Pollution Prevention and Control and Private Water Supply Inspection reports to Defra and DWI have received positive responses with no issues of concern raised by these bodies.
Failure to deliver external contract work at the level expected by the business or local authority with whom we have the contract	Damage to reputation, loss of future income streams, financial impact of paying damages  Loss of key staff or skills	On-going	Low	High	Green	Ensure contract negotiations are clear on performance criteria and these are clearly recorded in the final documentation. Monthly reviews against performance criteria. Select staff to ensure competence of those undertaking work outside Worcestershire. Maintain strong links with the customer's monitoring staff. Intervene early with corrective action. Ensure contingency plans in place if key staff leave to enable contract delivery, to include contractors, staff development and apprenticeship

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