



BROMSGROVE DISTRICT COUNCIL

MEETING OF THE AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

THURSDAY 24TH JANUARY 2019, AT 6.00 P.M.

PARKSIDE SUITE - PARKSIDE

SUPPLEMENTARY DOCUMENTATION

The attached papers were specified as "to follow" on the Agenda previously distributed relating to the above mentioned meeting.

9. Financial Savings Monitoring Report June to September 2018 - To Follow (Pages 1 - 4)
10. Overall Risk and Corporate Governance Report - To Follow (Pages 5 - 14)

K. DICKS
Chief Executive

Parkside
Market Street
BROMSGROVE
Worcestershire
B61 8DA

17th January 2019

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APRIL – SEPT FINANCIAL SAVINGS MONITORING REPORT 2018/19

Relevant Portfolio Holder	Councillor Brian Cooper
Portfolio Holder Consulted	-
Relevant Head of Service	Jayne Pickering – Exec Director Finance and Resources
Ward(s) Affected	All Wards
Ward Councillor(s) Consulted	No
Key Decision / Non-Key Decision	Non–Key Decision

1. SUMMARY OF PROPOSALS

To report to the Committee the monitoring of the savings for April – September 2018/19. This report presents the savings delivered projected for the full year against those identified in the medium term financial plan (MTFP)

2. RECOMMENDATIONS

- 2.1 That the Committee note the final financial position for savings as presented in the report and at Appendix 1.

3. KEY ISSUES

- 3.1 This report provides a statement to show the savings projected for 2018/19 as detailed in the MTFP and approved by Council in February 2018.
- 3.2 The statement shows that it is projected that the savings of £580k for 2018/19 are on track to be delivered during the financial year.
- 3.3 The External Auditors, Grant Thornton, have recommended that the delivery of savings be monitored more closely to ensure that the Council is meeting savings in the way that was expected when the budget was set. This monitoring was recommended to be undertaken by this Committee and Grant Thornton further advised that the savings monitoring should be against the Medium Term Financial Plan rather than the efficiency plan as the MTFP is the more recently approved budget projection for the Council. The savings statement attached reflects this approach.
- 3.4 As members may be aware during the budget process, heads of service propose savings that are to be delivered during future financial years. The budget allocation is

then reduced to reflect the proposed saving and officers meet on a monthly basis to ensure that all estimated reductions to budget are being delivered.

3.5 Legal Implications

None as a direct result of this report.

3.6 Service/Operational Implications

Timely and accurate financial monitoring ensures that services can be delivered as agreed within the financial budgets of the Council

4. Customer / Equalities and Diversity Implications

None, as a direct result of this report.

5. RISK MANAGEMENT

Effective financial management is included in the Corporate Risk Register.

6. APPENDICES

Appendix 1 – Saving monitoring April – September 2018/19

7. BACKGROUND PAPERS

Available from Financial Services

AUTHOR OF REPORT

Name: Jayne Pickering – Executive Director Finance and Resources
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BROMSGROVE - SAVINGS & ADDITIONAL INCOME FROM 18-19 BUDGET ROUND

Department	Description of saving	2018-19 £'000	Comments	Quarter 2			
				On target Y/N	Additional (add to to in yr savings) £'000	below target Y/N	Pressure £'000
Business Transformation	Annual Revenue Budget Saving	-123	Saving from efficiencies and contract reviews	Y			
Community Services	acommodation charges	-12	Already included in support recharges	Y			
Community Services	telephone charges	-6	Savings from new contract	Y			
Community Services	staff savings from reduced mileage and reduced hours	-3	Savings from staff member reducing working hours	Y			
Community Services	removal of budget historical DFG monies	-7	Review of budget efficiencies	Y			
Community Services	acommodation charges	-12	Already included in support recharges	Y			
Community Services	various	-28	Review of budget efficiencies	Y			
Corporate Resources	Reduction in External Audit Costs	-16	Reduced as per new contract arrangements	Y			
Corporate Resources	Appeals in Asset of Community	-20	Savings to be offered, subject to any future appeals to be drawn down from balances	Y			
Customer Access & Financial Support	Reduction in Hrs	-5	Savings from staff member reducing working hours	Y			
Environmental Services	Utilities	-36	More efficient lighting and boiler	Y			
Environmental Services	Maintenance	-9	Saving on Depot Maintenance	Y			
Environmental Services	Additional Garden Waste income	-54	Price increase to £45 in 18/19	Y			
Environmental Services	Fuel and Veh R&M	-117	Fuel and R&M due more efficient working lower fuel costs.	Y			
Environmental Services	Domestic Bin Replacements	-53	Revenue saving achieved by moving replacement of bins to capital.	Y			
Environmental Services	Trade Bin Replacements	-10	Revenue saving achieved by moving replacement of bins to capital.	Y			
Environmental Services	Garden Waste Bin Replacements	-3	Revenue saving achieved by moving replacement of bins to capital.	Y			
Leisure & Cultural Services	Efficiency Saving	-5	Review of budget efficiencies	Y			
Leisure & Cultural Services	Savings on accomodation costs	-8	Review of budget efficiencies	Y			
Leisure & Cultural Services	NNDR on George House	-18	Savings following demolition of building	Y			
Leisure & Cultural Services	R & M for Parkside Building	-25	This saving relates to the repairs and maintenance of the building that are less than initially. This will be used to offset the income pressure against Parkside Hall which has been difficult to achieve but additional marketing will aim to mitigate the shortfall	Y			
Planning & Regeneration	Additional cross boundary partnership working	-2	Additional income generated following marketing of service.	N		Y	2
Planning & Regeneration	Reduction in car mileage costs	-8	Review of budget efficiencies	Y			
		-580			0		2

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CORPORATE GOVERNANCE AND RISK

Relevant Portfolio Holder	Councillor Brian Cooper
Portfolio Holder Consulted	No
Relevant Head of Service	Jayne Pickering – Executive Director Finance and Resources
Ward(s) Affected	All Wards
Ward Councillor(s) Consulted	No

1. SUMMARY OF PROPOSALS

- 1.1 For Members to consider the current Corporate Risks Register and to consider any further risks that should be considered to be included in the 2019/20 register

2. RECOMMENDATIONS

2.1 The Committee is asked to asked to:

- 2.1.1 consider the current Corporate Risks Register and to request any additional risks to be considered

3. KEY ISSUES

Financial Implications

- 3.1 There are no financial implications in relation to the development of the register or the associated Governance updates.

Legal Implications

- 3.2 The Council operates within a number of statutory Governance regulations and the Corporate Risk Register demonstrates how the Council will address and mitigate risks associated with the delivery of the Councils Strategic Purposes.

Service / Operational Implications

Corporate Risk Register

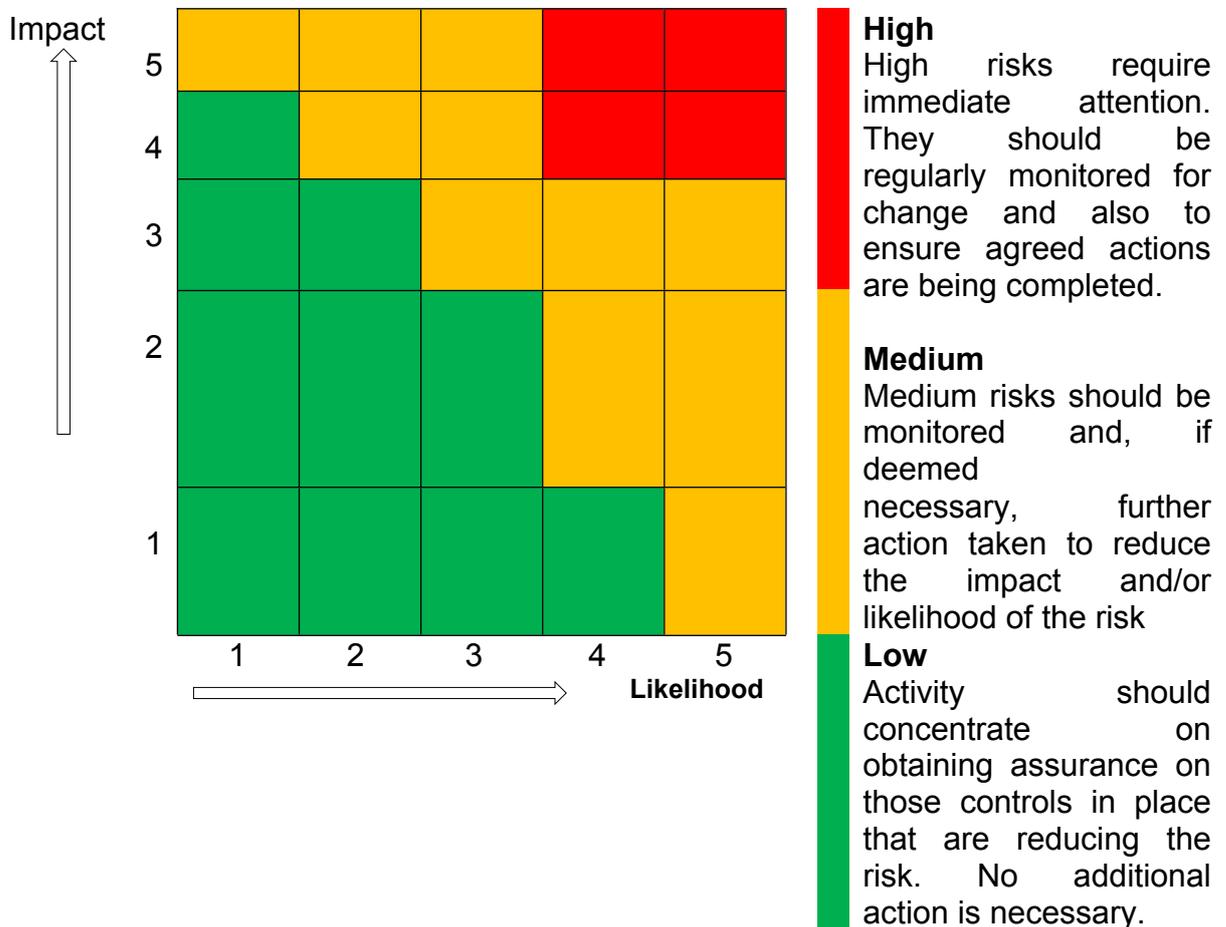
- 3.3 The Corporate Risk Register has been developed by the management team and agreed by this Committee to address issues that are of a strategic nature and are seen as areas that have potential to impact on the delivery of the Strategic Purposes. An annual review is undertaken to ensure that current risks are captured and that any risks no longer deemed of being corporate are moved to departmental registers. The register attached at Appendix 1 is the 2018/19 register to enable members to be aware of corporate risks within the Council and uses the Red/ Amber / Green Scoring Mechanism to assess the risk associated with the issue and details both the controls and mitigating actions that are in place to reduce the risk to the organisation.

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3.4 The scoring mechanism is shown in the table below and the Impact Scoring Criteria is attached at Appendix 2:

Risk scoring matrix

The risk scoring matrix reflects the Councils' current appetite / tolerance to risk. This risk tolerance should be reviewed at least annually as part of the formal refresh of risk management. There are three risk classification (low, medium and high) and these are based on the impact and likelihood values that are given to each risk. The risk matrix below illustrates how risks are classified. Officers are currently reviewing the risk appetite / tolerance and the outcome of any revised proposals will be presented to this Committee later in the year.



3.5 Members are asked to consider the current register and make any proposed changes or additions to be included in the 2019/20 register that will be presented to the next meeting of this Committee.

Customer / Equalities and Diversity Implications

3.6 By promoting good governance the Council ensures that all of its residents and communities have a consistent standard of service and opportunities.

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4. RISK MANAGEMENT

- 4.1 The Corporate Risk Register provides a framework for risks to be addressed and mitigated in relation to the delivery of the Councils Strategic Purposes. There have been a number of improvements recommended by Internal Audit to strengthen the risk management arrangements and the member review of the corporate register will support one of the recommendations.

5. APPENDICES

Appendix 1 - Corporate Risk Register 2018/19
Appendix 2 - Impact scoring criteria

6. BACKGROUND PAPERS

Departmental risk registers.

AUTHOR OF REPORT

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2018/19

Risk	Cause / Effect	Current Mitigations	Inherent Risk	Actions Needed	Residual Risk	Risk Owner	Links to Strategic Purposes
Non Compliance with Health and Safety Legislation	<p>Cause:</p> <ul style="list-style-type: none"> Consequence of Council action Negligence by Council Actions beyond Council control <p>Effect:</p> <ul style="list-style-type: none"> Reputation affected Legal action against Council Financial impact 	<ul style="list-style-type: none"> Standard Operating Procedures -SOP (H&S etc) Health and Safety Committee meets regularly Training for staff Health-checks First Aid in place Safeguarding Policy and Procedures Risk Assessments Updated inspection policy Continued updates to Health and Safety Committee 	Impact – 4 Likelihood – 2 = 8	<ul style="list-style-type: none"> Development of Corporate H&S Measures Review of corporate capacity to support H&S 	Impact – 4 Likelihood – 2 = 8	Deb Poole	All
Decisions made on savings / cuts that are not informed by robust data and evidence	<p>Cause:</p> <ul style="list-style-type: none"> Requirement for savings to balance budget Unanticipated cost pressures / demand on services Pressure from other partners <p>Effect:</p> <ul style="list-style-type: none"> Longer term improvement / 	<ul style="list-style-type: none"> Robust budget-setting process in place Developed budget bids for pressures and details of savings proposed using 5 case model Data used to evidence need in business cases Performance Dashboard in place 	Impact – 4 Likelihood – 3 =12	<ul style="list-style-type: none"> Implementation of Enterprise Resource System to improve functionality of system and access to budget managers Improve consistency and timeliness of information to enable decisions to be made in an 	Impact – 4 Likelihood -2 = 8	Jayne Pickering	All

2018/19

	<p>innovation / efficiency is hindered</p> <ul style="list-style-type: none"> Impact on organisation, staff and residents Impact on Transformation Programme 	<ul style="list-style-type: none"> Established "whole-life" or "end to end" approach to assessment of savings proposals 		<p>informed way</p> <ul style="list-style-type: none"> Improve cost recovery information 			
<p>Managing the impact of National Changes – financial / social economic or environmental which may have a detrimental impact on service delivery or quality (eg Brexit / Universal Credit)</p>	<p>Cause:</p> <ul style="list-style-type: none"> Changes to National Policy impacting on services at a local level Lack of resource to meet the demand on the service Reduction in funding or revenue available Funding for new initiatives not available Service cessation <p>Effect:</p> <ul style="list-style-type: none"> Reputation affected 	<ul style="list-style-type: none"> Budget Scrutiny cross party meeting to review financial issues on a regular basis Regular consideration at management team of National Issues Medium Term Financial Plan in place with assumptions on levels of cuts Full review of reserves and balances Officers working with partners and networks to identify issues 	<p>Impact – 4 Likelihood – 4 = 16</p>	<ul style="list-style-type: none"> Reporting regularly to members of National policy changes that may impact on local demand Earlier consideration of budget implications 	<p>Impact – 4 Likelihood – 4 = 16</p>	<p>Jayne Pickering</p>	<p>All</p>

2018/19

	<ul style="list-style-type: none"> Quality of life of residents affected Demand increasing on services Negative Financial impact 	<ul style="list-style-type: none"> 4 year financial plan in place Consider opportunities for alternative service delivery models/ approaches to generate income / reduce cost Ensure updated with legislation and financial impact of changes 					
<p>Business Continuity Plans fail to operate effectively in an incident.</p>	<p>Cause:</p> <ul style="list-style-type: none"> Service plans not all in place, fit for purpose or validated. Plans not implemented or embedded within the culture of the organisation. <p>Effect:</p> <ul style="list-style-type: none"> Damage to property / equipment Service delivery affected Councils' reputation 	<ul style="list-style-type: none"> All services have undertaken a Business Impact Analysis (BIA) resulting in revised Business Continuity Plans Lead officer in place Heads of Service identified as on duty officers 	<p>Impact -3 Likelihood – 4 = 12</p>	<ul style="list-style-type: none"> Corporate Business Continuity Plan to be refreshed 	<p>Impact -5 Likelihood -2 = 10</p>	<p>Sue Hanley / Ruth Bamford</p>	<p>All</p>

APPENDIX 2

We use the following three categories to measure impact. Each can be defined in line with the seven criteria. However, it should be noted that these criteria are for **guidance only** and do not need to all apply exactly. Each risk should be considered individually.

CRITICAL

1. Death, extensive permanent injuries, long term injury
2. Short to medium term loss of service capability
3. Adverse local publicity, potential for embarrassment nationally
4. More than 40 people involved
5. Strong possibility of litigation
6. Financial loss in excess of £250,000
7. Breaches of law punishable by fines and/or imprisonment

SIGNIFICANT

1. Medical treatment required, long term sickness
2. Short to medium term disruption to service capability
3. Needs careful public relations management
4. Up to 40 people involved
5. High potential for complaint, litigation possible
6. Financial loss between £50,000 and £250,000
7. Breaches of regulations/national standards

NOTICEABLE

1. No injuries beyond 'first aid' level
2. No significant disruption to service capability
3. Unlikely to cause any adverse publicity
4. No more than 6 people involved
5. Unlikely to cause complaint/litigation
6. Financial loss below £50,000
7. Breaches of local procedures/standards

NB. A number of low impact incidents may have a significant cumulative effect and require attention

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