

# **BROMSGROVE DISTRICT COUNCIL**

## **Audit, Standards and Governance Committee 17<sup>th</sup> July 2023**

### **Quarterly Risk Update**

Relevant Portfolio Holder	Councillor Charles Hotham
Portfolio Holder Consulted	Yes
Relevant Head of Service	Michelle Howell, Head of Finance and Customer Services
Report Author Peter Carpenter	Job Title: Interim S151 Officer 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 Fifth 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 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 5 meetings since the original baseline was reported.

### Corporate Risks

- 3.7 Corporate Risks are summarised in the following table. There have been no changes in their number since the meeting in March. We have moved Cyber Risk from Amber to Red due to the increased risk in this area despite all the mitigations we have and are putting in place.

<b>Ref</b>	<b>Corporate Risk Description</b>
<b>COR 9</b>	Non Compliance with Health and Safety Legislation
<b>COR 10</b>	Decisions made to address financial pressures and implement new projects that are not informed by robust data and evidence
<b>COR 14</b>	Non adherence with Statutory Inspection Policy
<b>COR 15</b>	Impact from Changes to Partner Funding Arrangements

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COR 16	Management of Contracts
COR 17	Resolution of the Approved Budget Position
COR 18	Protection from Cyber Attack
COR 19	Adequate Workforce Planning
COR 20	Financial Position Rectification
COR 21	BROMSGROVE DC Being placed into special measures due to quality of planning application decisions
COR 22	Delivery of Levelling Up, Towns Fund, UK SPF Initiatives
COR 23	Cost of Living Crisis
COR 24	New Customer Facing Interface

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 Policy and procedures Risk Assessments Updated inspection policy Regular review of policies Continued updates to Health and Safety Committee Data on intranet.

There are 4 departmental risks linked to this corporate risk.

**Projects being informed by robust data and evidence** - Robust budget-setting process in place. Cabinet at Bromsgrove on the 21<sup>st</sup> June approved an updated Project Management Process and extra resource, based on work initially highlighted by the Audit Task Group work in February 2023.

**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 11 departmental risks linked to this corporate risk. Should this not be delivered the consequences as significant, including death.

**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.

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**Management of contracts** - Procurement Strategy updated 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 has now gone live on the 1<sup>st</sup> April 2023 and reports are going to Cabinet in July setting out new requirements in terms of contracting and transparency.

**Resolution of the approved budget position** - MTFP process now 2 stages. 2023/4 budget was approved in February 2023. Final MTFP contains S151 Officer's robustness statement which is key to sign off of a robust sustainable budget. Budget working group scrutinise proposals before Cabinet. Same process will be used for the 2024/5 budget process.

**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.

**Adequate workforce planning** - Workforce plan has been circulated to services who now know their high risk areas and the wider scheme was launched in June. The challenges remain on delivering to these high risk areas however, they are identified. Three departmental risks are linked to Workforce Planning.

**Financial position rectification** - External Audit reports financial recovery process Reporting to Cabinet, Audit & Council. Risk is amber and not red as quarterly reporting is taking place and Council is delivering to the Key Recommendations of the 2020/21 Draft External Audit Report. There are still issues in relation to debt management which will remain until the suspense accounts are cleared which is programmed to take place by the end of the Calendar year.

**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.

**Delivery of Levelling Up, Towns Fund, and UKSPF Projects** - Monthly Project Board overseeing all projects Formal governance structures for Levelling Up and Towns Fund projects. Biggest issue in all these workstreams remains delivery before the funding deadlines. This was raised by multiple Councils at the Towns Fund Conference in Manchester on the 20<sup>th</sup> June

**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.

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**New Customer facing interface** - Presently delivered by several systems that are not linked together and require manual intervention for internal reporting.

#### **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 reduced this number to
- 51 Departmental Risks – 1 Red, 25 Amber, 25 Green

#### 3.10 **Position as at the 22nd March 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	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

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#### **3.11 Position as at the 22nd 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>

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 continues to be REV7 - Revenues - Performance Indicator data is not robust.

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

3.13 This report sets out the position a year following the initial baselining of council risks. This is the fifth 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 (8th April 2022, the 22<sup>nd</sup> June, the 21<sup>st</sup> September, the 21<sup>st</sup> December, 22<sup>nd</sup> March, 22<sup>nd</sup> June) 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.
- The Audit Committee reviews the Risk Registers on a quarterly basis. These reports have also been presented to Cabinet although this will stop 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.

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- The Risk Level has moved from a Limited Assurance in March 2022 to a Moderate Assurance in May 2023.

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

- 3.14 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 and at the next quarters meeting will need to be reviewed to assess if it moves to a Corporate Risk.
- 3.15 The majority of Housing risks are compliance led.
- 3.16 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.
- 3.17 It should be noted that the Members Data Protection risk in ICT clearly depends on Members undertaking the training. Given the significant cyber risks faced by Council’s, as noted in the Corporate Risks section, it is important Members engage to mitigate this risk. Using KnowBe4 will assist in mitigating this risk. As noted earlier, the Council have successfully renewed their cyber insurance policy.
- 3.18 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**

- 3.19 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.
- 3.20 The Council are in their final year of the present insurance contracts. These will be renewed next year – this process is a joint process delivered across all districts in Worcestershire. An issue remains Property values, as there are now significant differences between asset values and insurance re-instatement values.
- 3.21 We are seeing significant increases in fires, which are mostly linked to electrical equipment. This will affect the Property renewal figures.

#### **The Risk Management Framework**

- 3.22 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

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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.

### **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.



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### **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

Ref	Risk Description	Link to Corp Risk
BEN 1	Fail to effectively resource the service to meet demand	COR 9
BEN 3	Impact of Welfare Reform Act	
BEN 6	Impact of ELF scheme	
BEN 7	Benefits subsidy	
BEN 9	Failure to meet Audit requirements	
CUS 3	Failure to deal with complaints to customers satisfaction	
CUS 7	RBC/BDC Fail to ensure the adequate security arrangements for Customer Service Centres	COR 9
REV 4	Failure to effectively manage change	
REV 7	Performance Information data is not robust	
REV 11	Reduced collection rates	
REV 12	Failure to meet Audit requirements	
REV 16	Maintenance and Recovery of Collection Performance Post Covid	
REV 17	Failure of corporate Fraud and Compliance team	
FIN 1	Fail to provide adequate support to managers to manage their budgets	COR10
FIN 4	Fail to effectively manage high value procurements resulting in breach of EU procurement rules.	COR16
ENV 7	Fail to adequately maintain and manage car parking and On Street enforcement	
ENV 9	Avoidable damage to fleet arising from staff behaviour and none compliance	
ENV 10	Fail to ensure adequate Health & Safety across the service	COR 9
ENV 11	Fail to engage with the WCC regarding land associated with highway maintenance	
ENV 20	Workforce planning	COR19
ENV 22	PDMS - New Environmental database	
L&C 2	Fail to ensure the health & safety of the Public / Staff and visitors using services (meeting regulatory requirements)	COR 9
LED 9	Failure to ensure that Council Owned buildings, Property Assets and Facilities remain fit for purpose now and for the future.	
LED 10	Fail to optimise the income from Commercial properties	
LED 11	Fail to effectively manage property assets	
LED 12	Fail to effectively manage the disposal of assets as part of asset disposal programme	
LED 13	Bromsgrove Leisure Contract	COR16
ICT 4	Breach of Data Protection – disclosure of data / staff not aware of guidelines	COR18

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ICT 7	Failure to identify, maintain and test adequate disaster recovery arrangements	COR18
ICT 15	Members and Data protection Training	
PLA 11	Loss of effective Building Control service due to changes in legislation / Hackett / Grenfell	COR19
HOU 2	Fail to effectively manage housing repairs and maintenance	COR14
HOU 7	Fail to manage impact of increasing homelessness cases and Recruitment challenges	COR19
HOU 10	Fail to effectively manage capital projects (also the right contracts are put in place, internal and external)	
HOU 14	Failure to complete annual gas Safety Inspections	COR14
HOU 19	Failure to comply with Charter for Social Housing and the Regulator	COR14
HOU 21	Non compliance with Asbestos Regulations	COR14
HOU 22	Non compliance with Regulatory Reform (Fire Safety) Order 2005 - Blocks of flats and communal entrances	COR14
HOU 27	Failure to comply with IEE regulations	COR14
HOU 28	Damp and Mould In Council Housing	COR14
COM 3	Safeguarding - Inadequate child and adult protection systems/process.	COR14
COM 17	Starting Well Partnership – underperformance of contract	COR16
COM 18	Social Prescribing – underperformance of contract	COR16
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 in December, 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

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### 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	Green	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	Amber	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	Amber	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	Amber	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
					Amber	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	Green	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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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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