

## Central Bedfordshire Council

AUDIT COMMITTEE

4 April 2016

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### Risk Update Report

Report of Charles Warboys, Chief Finance Officer  
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#### Purpose of this report:

The purpose of this report is to give an overview of the Council's risk position as at March 2016.

#### RECOMMENDATIONS

The Committee is asked to:

1. Consider and comment on the contents of the report.

#### Overview and Scrutiny Comments/Recommendations

1. This report is not scheduled to be considered by Overview and Scrutiny, as this is the responsibility of the Audit Committee.

#### Background

2. The Terms of Reference of the Audit Committee include the monitoring of the operation of the Risk Management Strategy. This report is the regular update report to assist the Committee in discharging its responsibilities.
3. The purpose of this report is to give an overview of the Council's risk position as at March 2016.

#### Strategic Risks

4. As reported to the January Audit Committee, it was agreed with senior managers in September 2015 that a fundamental review of the risk register would take place following the Spending Review Announcement and the Local Finance Settlement. This review took place in February 2016.
5. When reviewing the risks facing the Council, the following issues were identified for consideration and discussion:

Financial considerations including:

- Implications of the February 2016 final financial settlement
- Additional funding for Adult Social Care
- Additional responsibilities may be transferred to Local Government without adequate additional resources
- Further efficiency savings are likely to be required
- Potential scaling back of capital programme
- Housing Revenue Account (HRA) changes to funding
- Public health funding reductions and the impact across a range of Council services
- Better Care Fund
- Social Care financial pressures
- Impact of New Living Wage
- Impact of Continuing Healthcare decisions on both Children and Adults
- Issues relating to Housing Need, including Homelessness and Social Housing Rents
- Fraud and Corruption.

Changes in Government Policies/Legislation, including:

- Additional responsibilities being transferred from Central Government.

Changes in Service delivery models, including:

- Partnerships
- Shared Services
- Outsourcing
- Integration.

Stability of partners/neighbouring authorities, including

- Service failure of partners or providers.

National Issues, including:

- Demographics
- Safeguarding
- Global economy
- Terrorism
- Climate Change
- Radicalisation
- Cyber attacks.

Local Issues, including:

- Resilience and the interdependencies of major projects
- Supply chain failure
- Information management and a failure to move from data collection to intelligence
- Customer expectation
- Failure to deliver major transformation programmes
- Ineffective use of data/intelligence to achieve our vision.

- Capacity, including lack of resources/skills/difficulty in recruiting appropriately skilled staff
  - Sustainable outcomes
  - Delivery of strategic targets and priorities
  - Business Continuity.
6. As a result of the review, several areas were identified for further consideration. These areas include:
- Not being able to access a sustainable market for social care at a reasonable price due to the implementation of the National Living Wage and other legislation.
  - The capacity of the Council to deliver services in the light of the scale of the efficiencies we need to make, taking account of the increasing importance of our income from NDR, the impact of changes to Housing Revenue Account (HRA) financing and the anticipated transfer of new responsibilities to councils without the concomitant funding, such as the administration of attendance allowances.
  - The fragility of partners and the impact of this on our ability to deliver our objectives. A particular facet relates to emergency planning and resilience in amongst health partners.
  - The impact of cyber crime.
  - The failure to deliver major transformation programmes, including the risk of failing to deliver the organisational development plan.
  - Risk of failure to deliver community cohesion in the context of the demographic growth in Central Bedfordshire
  - Failure to support vulnerable people and families, including facets of access to accommodation, welfare reform and low levels of income.
7. Further detailed work is in progress with senior officers across the Council to fully assess and document these risks and ensure that, where possible, appropriate mitigating actions are in place. The outcome of this work will be reported to a future committee. No revisions to the current strategic risk register have been made at this stage.
8. The current strategic risk register dashboard is attached at Appendix A. No changes to the dashboard have been made since the last Committee meeting. The report contains 11 strategic risks. 9 risks have a residual score of 9 or more. A score of 9 or more generally represents an unacceptable risk exposure, with further mitigation required.

### **Operational Risks**

9. The risk report also highlights the key operational risks facing the Council. These have been drawn directly from Directorate risk registers as uploaded onto the JCAD risk management system.
10. The dashboard has listed the 7 operational risks with a risk score of 15 or above. There have been no revisions since the last report.

## **Council Priorities**

11. Good risk management enables delivery of the Council's aims and objectives. Good risk management ensures that we adopt a planned and systematic approach to the identification and control of the risks that threaten the delivery of objectives, protection of assets, or the financial wellbeing of the Council.

## **Corporate Implications**

### **Legal Implications**

12. None directly from this report.

### **Financial Implications**

13. None directly from this report.

### **Equalities Implications**

14. None directly from this report.

## **Conclusion and next Steps**

15. Internal Audit and Risk will continue to coordinate and update the Strategic Risk register and an update will be presented to the next Audit Committee.

## **Appendices**

Appendix A – March 2016 Risk summary dashboard.

## **Background Papers**

None.