

Central Bedfordshire Council

AUDIT COMMITTEE

9 January 2017

Risk Update Report

Report of Charles Warboys, Director of Resources
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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 December 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 December 2016.

Strategic Risks

4. The December 2016 risk report is contained at Appendix A. The report contains 16 strategic risks.
5. There are 12 strategic risks with a residual risk score of 9 or more. A score of 9 or more generally represents an unacceptable risk exposure, with further mitigation required.

6. The risks have been reconsidered and the key revisions are set out below. There have been no changes to the residual risk scores for any of the risks.
7. STR0001 - The Finance risk has been updated to record that The Certainty Deal was signed and submitted to the Department for Communities and Local Government (DCLG) in October. They have confirmed our participation.
8. STR0008 – The risk of ICT failure has been updated to include a further planned mitigation. This relates to the installation of additional lines to provide resilience in the event of an outage and to provide greater load balancing across the CBC infrastructure. The target for completion is February 2017.
9. STR0019 – The risk relating to failure to deliver effective and cohesive health and social care to residents has been reviewed but no revisions have been made. This continues to be the highest scoring strategic risk and there continues to be significant challenges to the National Health System.
10. STR0027- The risk of failing to adopt a Local Plan and Community Infrastructure Levy has been updated to reflect the current anticipated timeframe for the Draft (Regulation 18) Plan to be published, which is January/February 2017. The draft plan is due to be published for consultation in September 2017 and is planned for adoption in April 2018.
11. STR0031- The capacity for the Council to deliver services in the light of further shifts in Government policy has also been updated to reflect the signing of The Certainty Deal.
12. STR0032 - The risk of not being able to access a sustainable market for social care at a reasonable price as a result of the implementation of the National Living Wage and other legislation has been updated to reflect the additional mitigating actions taken. A Day Care review is now underway. A Vulnerable Persons Position Statement is being developed and planning permission for Houghton Regis Central (Independent Living) was granted in November 2016.
13. STR0034 – The risk of failure to deliver the Organisational Development Plan has been updated to record that senior management is to further review these work streams as part of a review to crystallise objectives following the Medium Term Financial Plan (MTFP) reviews.
14. STR0035 – The risk of failing to deliver major transformation programmes within Children’s Services has been updated to reflect the demand analysis that has been undertaken, which has identified potential opportunities for reducing children going into care. In addition, a multi-agency leadership board is now in place.

15. STR0036 - The risk of failure to deliver community cohesion in the context of demographic growth has been updated to reflect current progress in addressing issues relating to both the settled and the gypsy and traveller communities.
16. STR0037 – The risk of failure to support vulnerable people and families, including facets of access to accommodation, welfare reform and low levels of income has also been updated to reflect further planned mitigating actions. These include progressing the Homelessness Strategy Action Plan and implementing the Sheltered Housing Review. In addition, publicity of the Credit Unions has increased activity in this area. Through the Tenancy Sustainment approach and the redesign of the Adult Social Care (ASC) Customer Pathway, it is aimed to support tenants earlier.
17. STR0038, which relates to the fragility of the emergency planning and business continuity functions across partners and the impact of this on the Council's ability to deliver its objectives has also been reviewed. No changes were made but it is noted that the plans and partnerships were tested during the recent gas outage in Amphill, Clophill and Maulden.
18. An additional risk (STR0040) has been added to the strategic risk register. This relates to the political and economic uncertainty around potential changes in laws, regulations, government policy or funding arising from the UK leaving the European Union and other significant international events, which may impact on Council objectives.
19. It is recognised that there could be potential and emerging impacts on:
 - the local economy;
 - capital receipts and land and property negotiations;
 - employment trends and productivity;
 - waste disposal;
 - changes in ministerial appointments and the associated implications for aspects of government policy, such as education, public health and indeed the approach to the management of the public finances;
 - the potential impact of changes being considered by the Bank of England, such as adjustments to interest rates;
 - workforce implications, especially in areas like health and social care where significant numbers of staff were non UK nationals;
 - the impact of the unwinding of European legislation affecting large areas of regulation, including areas such as the working time directive and health and safety regulations, employment rights and procurement; and
 - community cohesion and the need to ensure inappropriate behaviour and racism was tackled appropriately and quickly.
20. Mitigating actions have been considered and include:
 - Continued monitoring of the post referendum environment by CMT

- Keeping abreast of official publications from local, central and European government
- Targeted lobbying by Members on specific issues
- Influencing Government through responding to consultations
- Engagement with the Local Government Association (LGA), Department of Communities and Local Government (DCLG), Department of Innovation and Skills, and other relevant bodies to ensure that current funding is protected
- Monitor emerging policy changes, and
- Monitor European Union funded schemes, and
- Reflecting budget implications within the Medium Term Financial Plan (MTFP)

21. The inherent likelihood and impact scores have both been assessed as 4, resulting in an overall inherent risk score of 16. The residual risk likelihood risk score has been assessed as 4, and the residual impact score has been assessed as 3, resulting in an overall risk score of 12.

22. The position will be regularly monitored to ensure that risks and opportunities are identified and reviewed.

23. There have been no changes to the remaining strategic risks.

Operational Risks

24. 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.

25. The operational risks with a risk score of 15 or above have been regularly reported to CMT. There have been no changes to the key operational risks since the last update.

Council Priorities

26. 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

27. None directly from this report.

Financial Implications

28. None directly from this report.

Equalities Implications

29. None directly from this report.

Conclusion and next Steps

30. 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 – December 2016 Risk summary dashboard.

Background Papers

None