

TO: GOVERNANCE AND AUDIT COMMITTEE
31 JULY 2012

STRATEGIC RISK REGISTER
Head of Audit and Risk Management

1 PURPOSE OF REPORT

1.1 To seek feedback on the Strategic Risk Register.

2 RECOMMENDATION

2.1 **That the Governance and Audit Committee provide feedback on the Strategic Risk Register to inform the next quarterly update of the Register.**

3 REASONS FOR RECOMMENDATION

3.1 To inform the update of the Strategic Risk Register.

4 ALTERNATIVE OPTIONS CONSIDERED

4.1 None.

5 SUPPORTING INFORMATION

5.1 In line with the Risk Management Strategy approved by the Governance and Audit Committee on 29th September 2011, the Strategic Risk Register has been reviewed quarterly by the Strategic Risk Management Group (SRMG) and every six months by the Corporate Management Team (CMT). CMT last reviewed the Register on 2nd May 2012. The Strategy requires the Register to be reviewed annually by the Executive and following CMT, the Executive reviewed and approved the Register on 22nd May 2012 but requested that this also be brought to the Governance and Audit Committee.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

6.1 Nothing to add.

Borough Treasurer

6.2 Nothing to add.

Equalities Impact Assessment

6.3 Not applicable

Strategic Risk Management Issues

- 6.4 A robust Strategic Risk Register that is a complete and up to date record of the significant corporate risks is essential for effective risk management, enabling the Council to prioritise resources to identify and implement actions to address the threats to the achievement of the Council's objectives.

Other Officers

- 6.5 N/A

7 CONSULTATION

Principal Groups Consulted

- 7.1 The Strategic Risk Register was reviewed by SRMG, CMT and the Executive.

Method of Consultation

- 7.2 SRMG considered the Strategic Risk Register when the Group met on 7th March, CMT reviewed the Register on 2nd May 2012 and the Register was considered and approved at the meeting of the Executive on 22nd May 2012.

Representations Received

- 7.3 N/A

Background Papers

Risk Management Strategy 2011/12

Contact for further information

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| | STRATEGIC RISKS | Links to Medium Term Objectives /Directorate Risk Registers | Residual risk | | | Risk Owner | Key Actions to Mitigate Risk |
|---|--|--|---------------|--------|-------|---------------------------------------|---|
| | | | L'hood | Impact | Score | | |
| 1 | <p>FINANCIAL AND ECONOMIC Following the announcement of the Comprehensive Spending Review (CSR), local authorities will have to make significant savings over the Spending Review period (up to 2014-15). The full impact of this is remains uncertain beyond 2012/13 as a consequence of the Local Government Resource Review. This will put significant pressures on the Council's ability to balance its finances whilst maintaining satisfactory service standards. The current economic downturn will continue to present budget challenges to the Council in a variety of ways including falls in income, increased unemployment, increased demands for benefits, greater social pressures, and difficulties in collecting debts. In addition, significant areas of financial risk at the moment relate to some of the major national policy initiatives that impact on local government services. Changes in non-domestic rates will increase uncertainty and volatility of funding through business rates in the future. Poor information on spending at a local level from the Primary Care Trust is causing some concern for the adequacy of future funding allocations for public health functions to be transferred from Primary Care Trusts under the Health Bill reforms. The Government plans for elected Police and Crime Commissioners to take over from Police Authorities from November are also causing some concern at present for the future of some service initiatives currently funded from central government funding streams due to transfer to the new Police bodies.</p> | <p>ALL MTOs</p> <p>Corporate Services Risk Register – risk 3</p> <p>ASCHH Directorate Risk Register – risks 4 and 10</p> <p>ECC Risk Register – risk 1</p> | 5 | 4 | 20 | Chief Executive/ Borough Treasurer | <ul style="list-style-type: none"> • Medium term financial strategy regularly reviewed and updated. • Regular budget monitoring reporting to Corporate Management Team and through PMR's to Members • Detailed analysis by Service Accountants on high risk areas identified in annual budget report to Executive • Monitoring Government statements on future of local government funding. The Chancellor's Autumn Statement provided the context for local government spending beyond 2014/15. • The Council has responded to a range of consultation papers including the re-localisation of the business rate • Budget and performance monitoring information being shared with health has reduced the risks in year of any loss of income from the PCT in respect of Health money for Social Care • Recent budget monitoring does not suggest that the transfer of expenditure liabilities is currently having a significant impact on the Council's overall financial position and an underspend is forecast for 2011/12. • Government proposals including the transfer of public health responsibilities and academies funding continue to be monitored for their impact as details emerge. (AN) • Reserves are regularly reviewed and the structural changes reserve, insurance fund general fund balances etc. are currently considered to be adequate to cover any unforeseen one off costs. |

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| 2 | <p><u>DEMANDS FOR SERVICES</u> Changes in the size and composition of Bracknell's population will require the Council to be able to forecast changes and reshape its service delivery to meet changing needs. This will include the impact of both natural growth and any future inward or outward migration and changes in the age, socio-economic and ethnic profile of the area.</p> | <p>MTOs 4,5,6 and 7</p> <p>ASCHH Directorate Risk Register – risk 6</p> <p>CYPL Risk Register – risk 3</p> | 4 | 3 | 12 | <p>Director of Children Young People and Learning/ Director of Adult Social Care, Housing and Health</p> | <ul style="list-style-type: none"> The review of school sufficiency planning is informing the School Places Plan and the SADPD. Monitoring data on SEN/LDD and mapping trends and changing needs. Analysis and review of service provision against data profile and report at least annually to SEN/LDD joint health and CYPL group. Mapped the SEN/LDD data and focused particularly on those aged 16+ as part of the post 156 transition plans Use of JSNA, Commissioning Plans to monitor demographic changes. Stats share assists with translating JSNA into meaningful information locally Weekly referral panel is held, and chaired by the Head of Service (LAC) to monitor changes within the care system and children on the edge of care. Monthly monitoring of data in relation to safeguarding is undertaken, and monitored by Children's Social Care Management Team on a monthly basis. To review and compare data for the South East Statistical Neighbours and nationally to better understand the reasons for changes. |
| 3 | <p><u>STAFFING</u> The Council employs staff and uses agency and contractors to deliver its services to the community. Failure to ensure that individuals with the right skills and expertise are recruited, proper training is provided and staff are well motivated will impact on the effectiveness of services and the Council's ability to retain high calibre staff.</p> | <p>All MTOs</p> <p>Corporate Services Risk Register – risks 1 and 2</p> <p>ASCHH Directorate Risk Register – risk 2</p> <p>ACX Risk Register – risk 4</p> <p>ECC Risk Register – risk 10</p> <p>CYPL Risk Register – risk 4</p> | 4 | 3 | 12 | <p>Director of Corporate Services</p> | <ul style="list-style-type: none"> Monitoring staff vacancies, strategically and operationally to ensure early actions are taken as necessary. Ensuring salary levels are appropriate and competitive Ensuring skill requirements are properly identified. Person and job specifications checked by HR Systems, policies and procedures are in place to meet statutory employment and right to work requirements Ensuring training regimes are in place are in place for re-skilling and up-skilling staff The Adult Social Care, Housing & Health department also works with service providers who also require individuals with the right skills. ASC&H provide training to providers on Safer Recruitment, Safeguarding and the Mental Capacity Act and also work with Berkshire Care Association to raise awareness of care quality Clear communications with staff e.g. Chief Executive's briefings Organisational Change Protocol in place. Action plan being developed to address matters raised in the Staff Survey |
| 4 | <p><u>INFORMATION MANAGEMENT AND INFORMATION TECHNOLOGY</u> As the Council is increasingly dependent on ICT systems, there are risks to service delivery and management</p> | <p>All MTOs</p> <p>Corporate Services Risk Register – risk 4</p> | 4 | 4 | 16 | <p>Director of Corporate Services</p> | <ul style="list-style-type: none"> Departments have departmental Business Continuity Plans to ensure services can continue in the event of disruption to IT In some areas applications are web-based or web based solutions could be considered. Disaster Recovery Plan in place , a Disaster Recovery contract with a provider that will supply kit required to get systems up and running and an Action Plan for the systematic recovery of systems. Helping Forest Care to develop disaster recovery system |

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|---|---|--|---------------|--------|-------|--------------------|--|
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| | information/performance data gathering in the event of IT infrastructure being unavailable or IT suppliers being unable to deliver systems that meet service requirements. Of particular concern at the moment is that given that the Government does not currently plan to issue guidance on changes to Council Tax benefits until the Autumn, there is a significant risk that IT systems will not be modified in time for implementation in April 2013. The Council and its contractors hold sensitive data in electronic and manual form such as personal data on staff, residents, vulnerable individuals such as children and adults with social care needs and suppliers which could potentially be misused or stolen if not secure. Failure to maintain accurate data can affect the validity of data for effective management and decisions. | ASCHH Directorate Risk Register – risk 8 | | | | | <ul style="list-style-type: none"> • Back up batteries allow time to bring the systems down safely. • Considering putting in an Invest to Save bid for system replication • Alternative sites for a back-up data centre, albeit with reduced capacity, are being investigated. This would provide basic services such as e-mail, • An initial capital bid has been put forward to carry out preparatory work for the installation of a generator. Work would be completed next year. • The Adult Social Care, Housing & Health department has instigated mandatory information security training for all staff. • Information classification policy agreed by CMT. ICT Security policy agreed by CMT • Action plans for Information Management Strategy are underway • GCSX being superseded by GCF. Work in hand to meet the standards for this new service. • Also involved in a regional PSN bid with Surrey authorities to create a regional network of networks . This would open up greater opportunities for shared services including DR and BC. • Work underway to communicate to all staff the importance of information security. Training programme underway for key staff in this area. |
| 5 | <p><u>OTHER MAJOR PROGRAMMES AND PROJECTS</u> Failure to design, monitor and control major projects and their implementation effectively could lead to cost overruns/ pressure on the capital budget, late delivery and result in core objectives of projects not being achieved.</p> <p>a) - Capital funding for school places and backlog maintenance.</p> <p>b) - Office Accommodation (including the Times Square refurbishment and office moves). Dependency on Development Agreement funding.</p> <p>-c) Implementation of the responsibilities under the proposed new Health and Social Care Bill</p> | <p>MTOs 1,5,7 and10</p> <p>CYPL Risk Register – risk 5</p> <p>ASCHH Directorate Risk Register – risks 4 and 10</p> | 4 | 4 | 16 | Chief Executive | <ul style="list-style-type: none"> • a) Risk register in place and reviewed at each Education Capital Programme Board (ECPB) meeting • b) Office Accommodation Strategy approved by the Executive • Time Square tender and works planning underway. • Significant programme of work streams underway to facilitate the move to a smaller working environment for staff – flexible working, storage , ICT • c) Working with PCT on the proposed new Health and Social Care Bill effect smooth transition and agreeing transition plan for the Council • Evaluating responsibilities and resource impact once public health white paper is published • Evaluate the Public Health resources allocation • Seek collaboration/co-operation from other Berkshire local authorities • d) Programme Board in place for Universal Credit and Council Tax Benefit changes |

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| | d) –Transition to Universal Credit including changes to Council Tax Benefits | | | | | | |
| 6 | <u>BUSINESS INTERRUPTION/ CONTINUITY</u> Serious incident or disaster adversely impacts the Council's ability to deliver services without interruption or fluctuation in standards. Failure of contractors resulting in disruption to services. Business Continuity plans/Disaster recovery plans may potentially not be sufficiently robust or not properly implemented limiting the Council ability to respond effectively. | MTOs 4,5,6 and 7 Corporate Services Risk Register – risk 6 ASCHH Directorate Risk Register – risks 5 and 9 ECC Risk Register – risks 2,5 and 9 | 3 | 4 | 12 | Borough Treasurer | <ul style="list-style-type: none"> Corporate and Directorate Business Continuity Plans have been updated and will be tested in early 2012/13. Testing of the Corporate Business Continuity Plan and responses to future incidents will determine whether further clarification is required. Identified capital works have been undertaken to reduce the risk of the loss of use of one of our Elderly Persons Homes Key contracts are monitored on a regular basis as part of the contract performance mechanisms in place for all contractors. This should address any capacity or performance issues that might indicate that there may be issues with financial/general viability Financial assessments of tenderers are undertaken for all major contracts let by the Council. Annual financial assessment checks where appropriate for major contractors |
| 7 | <u>SAFEGUARDING OF CHILDREN AND VULNERABLE ADULTS</u> The Council does not identify and discharge all its responsibilities for safeguarding vulnerable children and adults in the community resulting in injury or death. | MTOs 4,5,6 and 7 ASCHH Directorate Risk Register – risk 3 CYPL Risk Register – risk 1 | 3 | 4 | 12 | Director of Children Young People and Learning/ Director of Adult Social Care, Housing and Health | <ul style="list-style-type: none"> Safeguarding training programmes in ASCHH and CYPL reviewed regularly and updated to take account of new requirements and best practice. ASC&H also provide training to providers on Safer Recruitment, Safeguarding and the Mental Capacity Act and also work with Berkshire Care (ASCHH) Training numbers reviewed and presented annually to the Local Safeguarding Children's Board. Common induction programme being investigated for the Children's Workforce. The C&YP Partnership and the LSCB and their sub groups are key for progressing sharing information and the establishment of protocols Quality assurance process in place in CYPL Establishment of a senior level officer/member group on Health Transition in ASCHH Ensure contractors are quality assured and part of Council approved contractors. Contractors are all monitored via Care Governance Board and appropriate action undertaken Review complaints about contractors and actively seek users views on services. Formal processes to investigate concerns and take action through for example, the Whistleblowers procedure if concerns are not taken seriously. Ensure compliance with Independent Safeguarding Authority requirements. S11 Audit |

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| | | | | | | | |
| 8 | <p><u>INFRASTRUCTURE AND MAINTENANCE OF ASSETS</u> Failure to maintain highways/buildings to meet health and safety standards resulting in injury, loss or damage to individuals or property and costs from potential liability claims. In addition, where highways/buildings, etc are not properly maintained or where adequate infrastructure is not put in place, there is a risk that they are not fit for purpose this impacting on the Council reputation and having a negative impact on service delivery and productivity.</p> | <p>MTO 1 Corporate Services Risk Register – risk 7 ECC Risk Register – risk 8</p> | 4 | 4 | 16 | Director of Corporate Services/ Director of Environ'm't, Culture and Comm. | <ul style="list-style-type: none"> • Backlog maintenance for buildings has been identified, risk assessed and prioritised. Regular review of maintenance backlog at Asset Management Group. • Condition Surveys have been undertaken for all buildings and the results have been considered and taken into account when developing the Council 2012/2013 budget proposals. • Inspection and Insurance Loss control Survey reports to be copied to the Chief Officer: Property to ensure recommendations are actioned. • Health and Safety Reporting to CMT on fire risk assessments, legionella and asbestos. • Consultation on SADPD ended March and analysis being undertaken to seek an agreed way forward; • Publication stage in Autumn 2011; • IDP being regularly reviewed to ensure complete infrastructure requirements for new communities is robust; • Community Infrastructure Levy (CIL) work progressing which will be used to secure key infrastructure from new development. Work now underway to test the viability of a potential CIL tariff against value of development locally – will aid in infrastructure delivery once implemented in 2013/14 • Pre-Submission Site Allocation Development Plan Document approved by Council November 2011 (includes up to date Infrastructure Delivery Plan – IDP) • Seeking funding support from Local Enterprise Partnership (LEP) under Growing Places Fund to support early infrastructure delivery in town centre |
| 9 | <p><u>WORKING EFFECTIVELY WITH PARTNERS, RESIDENTS, SERVICE USERS, THE VOLUNTARY SECTOR AND LOCAL BUSINESSES</u> Failure to work effectively with key partners or involve residents in the development of our services may result in services that do not meet the needs of the community or deliver better outcomes for their area. Furthermore, if we do not fully engage partners, residents, service users and local businesses, we are less likely to achieve community cohesion resulting in elements of the community feeling excluded which could potentially</p> | <p>All MTOs Corporate Services Risk Register – risk 9 ASCHH Directorate Risk Register – risk 4 ACX Risk Register – risk 3</p> | 3 | 3 | 9 | Assistant Chief Executive/ Director of Corporate Services | <ul style="list-style-type: none"> • Targeted work has taken place through Connexions to both identify the most at risk of becoming NEET early and to provide programmes to help them to get back into education, employment of training. • The Wick Hill Centre is now fully operational and is offering a range of vocational courses for young people aged 14 – 16 thus increasing their prospects of employment. • A multi-agency Participation Group has been established and has met to discuss the needs of each NEET young person • Regular contact with Bracknell Forest Voluntary Action • Equality Scheme for Bracknell Forest Council in place from March 2012 • Community Engagement Strategy and Action Plan in place • The Partnership's Neighbourhood Engagement Review consultation completed; from April 2012 a new model of community engagement will be implemented with the parish and town councils and elected members at its heart. • A consultation log continues to be regularly published on the Council's website and a new web based consultation software package is to be procured in April 2012 to increase the effectiveness and accessibility of the Council's consultations |

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| | | | L'hood | Impact | Score | | |
| | lead to extremism. | | | | | | <ul style="list-style-type: none"> Partners engaged through a range of Bracknell Forest Partnership events and new work plan agreed underway to scope the future role of the Partnership. Regular engagement with minority groups and development work taking place to increase engagement, empowerment and awareness of the needs of communities; e.g. research with faith communities and personalisation programme in ASC&H. A programme of equality and diversity training completed for managers and members. Hate crime reporting project launched for people with learning disabilities Working with the RMA on resettling army service personnel Disabled Go access guide launched Completion of religious minority faith mapping by Experian Completion of detailed narrative and profile of Bracknell Forest's changing population by faith and ethnicity by the Institute of Community Cohesion so that the local faith, public and voluntary sectors may be better informed of the communities they serve. |
| 10 | <p>LITIGATION AND LEGISLATION Failure to implement legislative changes such as localised Council tax benefits or Health reforms or comply with legislation such as the Equality Act 2010 may lead to sanction, litigation or prosecution. Failure to comply with EU procurement requirements could now result in contract cancellation under the Remedies Directive. Non compliance with other legislation may also lead to legal action against the Council.</p> | <p>All MTOs</p> <p>Corporate Services Risk Register – risks 5</p> <p>ASCHH Directorate Risk Register – risks 4 and 10</p> <p>ECC Risk Register – risks 3 and 7</p> <p>CYPL Risk Register – risk 2</p> | 4 | 3 | 12 | Director of Corporate Services | <ul style="list-style-type: none"> Monitoring of new legislation and providing guidance The Legal Services Section receives updates through its on-law legal database “Westlaw” Processes agreed with Directors for ASCHH and ECC as to tracking of new legislation Ensure pay systems are demonstrably fair Ensure any new job evaluation scheme is legally compliant Completion of Equalities Impact Assessments Commentary on equalities impact in reports for decision Guidance in place on equalities in planning, recruitment, etc Information Management hub has been established Compliance with information security requirements for sharing information e.g. Government Connect, N3 Oversight by Information Management Group Information Security Officer in post The Information Management Group has approved an incident reporting procedure for identifying any breaches of information security and weaknesses in systems which could lead to such a breach. Monitoring negotiations quarterly to identify what might go to land Tribunal Programme Board in place for Universal Credit and Council Tax Benefit changes |

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| 11 | <p><u>TOWN CENTRE REGENERATION</u></p> <p>Failure to monitor and control key elements of the project could lead to cost overruns/ pressure on the capital budget, late delivery and result in core benefits of the regeneration not being realised.</p> | <p>MTOs 1,6 and 10</p> <p>ACX Risk Register – risk 1</p> | 3 | 4 | 12 | Assistant Chief Executive | <ul style="list-style-type: none"> • Project risk register in place and monitored by Strategic Overview Group. • To date, the phased approach is being monitored continuously. • A Time Square Refurbishment risk register is in place for the works element of the project. The risk scores will be reassessed after the procurement of the works contractor • The CPO and contracted out leases have successfully been used to mitigate risk. |

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RISK SCORING MATRIX

LIKELIHOOD

| | | | | | |
|---|---|---|----------------------------------|---|---|
| 5 | | | | Finance | |
| 4 | | | Staffing Litigation Demand | Info/IT Projects Assets | |
| 3 | | | Partnerships | Bus Cont Town Centre Safeguarding | |
| 2 | | | | | |
| 1 | | | | | |
| | 1 | 2 | 3 | 4 | 5 |

IMPACT

Likelihood:

- 5 Very High
- 4 High
- 3 Significant
- 2 Low
- 1 Almost Impossible

Impact:

- 5 Catastrophic
- 4 Critical
- 3 Major
- 2 Marginal
- 1 Negligible