

**BROMLEY - CORPORATE RISKS / ORGANISATIONAL ISSUES - MARCH 2016**

CORPORATE RISK	RESPONSIBLE OFFICER	PRIORITY ACTIONS
<p><b>FINANCIAL (failure to deliver a sustainable Financial Strategy which meets BBB priorities and failure of individual departments to meet budget)</b></p> <p><b>Issues:</b></p> <ol style="list-style-type: none"> <li>1. As a consequence of significant Government funding reductions (austerity continues until at least 2019/20), need to reduce the Council's significant 'budget gap' of £27.6m per annum by 2019/20.</li> <li>2. The Government's aim is to transform 'local government, enabling it to be self-sufficient by the end of Parliament' e.g. business rates to be fully devolved to local government by 2019/20. A future national recession could have a significant impact on income generated to fund key services within a fully devolved model.</li> <li>3. Failure to meet departmental budgets due to increased demand on key services resulting in overspends: (Housing (homelessness and cost of bed and breakfast); Social Care (welfare reform and ageing population); and Waste (growing number of households).</li> <li>4. The risk of the Council not being able to carry out its statutory duties (e.g. pupil admissions, school improvement, child protection) as a consequence of funding reductions.</li> <li>5. Dependency on external grants to fund services (schools and housing benefits are ring-fenced) - effect if grant reduces (Public Health services) or ceases.</li> <li>6. The introduction of a new national living wage will have cost implications to the Council over the next few years (e.g. care providers and carers).</li> <li>7. As the local government core grant is fully phased out, local government will take on new funding responsibilities e.g. public health, housing benefit administration for pensioners, attendance allowances etc. With ageing population there will be associated cost pressures.</li> <li>8. Impact of welfare reforms (phased replacement of housing benefit to Universal Credit). From April 2016 working age claimants in receipt of Council Tax Support (CTS) will be required to pay a minimum of 25% towards their Council Tax liability (previously 19%).</li> <li>9. Dependency on Council Tax payers paying an additional precept to specifically fund vital services e.g. adult social care, in addition to any general council tax increase.</li> <li>10. Failure to identify and highlight frauds and weaknesses in the system of internal control (which invariably have a financial impact). Overall, fraud losses are mainly benefit related (Council Tax Support / Single Person Discount).</li> </ol>	<p>Director of Finance</p>	<p>Regular update of forward forecast</p> <p>Early identification of future year savings required</p> <p>'Transformation' options considered early in the four year forward planning period</p> <p>Budget monitoring to include action from relevant Director to address overspends including action to address any full year additional cost</p>

CORPORATE RISK	RESPONSIBLE OFFICER	PRIORITY ACTIONS
<p><b>COMMISSIONING (failure to deliver the Council's Target Operating Model as a 'Commissioning organisation, determining who is best placed to deliver high-quality services based on local priorities and value for money principles')</b></p> <p><b>Issues:</b></p> <ol style="list-style-type: none"> <li>1. Driven by budgetary considerations.</li> <li>2. Our low cost base reduces the scope to identify efficiency savings compared with a higher cost organisation.</li> <li>3. Availability of quality data to support decisions.</li> <li>4. Capacity to deliver the Commissioning agenda.</li> <li>5. Capacity of key areas to deliver outsourcing i.e. ICT (supporting IT and information transfers), HR, procurement teams and legal services.</li> <li>6. Impact of not being able to outsource targeted services means that additional savings are required elsewhere.</li> <li>7. Ensuring that we adequately engage with Members and consult staff, residents, service users, businesses and other interested parties.</li> <li>8. Contracts and SLAs fail to deliver required quantity / quality / value for money services.</li> <li>9. Potential downside: Contracted provider fails to meet performance standards, terminates contract or ceases to trade with the result that the service has to be brought back in-house.</li> </ol>	<p>Director of Regeneration and Transformation (Commissioning Programme) and Directors (delivery of outcomes)</p>	<p>Ensure the organisation has the appropriate capacity and governance arrangements in place to deliver the Commissioning agenda.</p>
<p><b>HEALTH AND SOCIAL CARE INTEGRATION (failure to have a plan in place by 2017 for full implementation by 2020)</b></p> <p><b>Issues:</b></p> <ol style="list-style-type: none"> <li>1. Difficulty in achieving rapid change in a system as complex as health and social care.</li> <li>2. Rising social care costs due to ageing population and people living longer with increasing complex needs.</li> <li>3. Difficulties with agreeing budgets (given likely funding reductions going forward), complex governance arrangements, and workforce planning.</li> <li>4. Need to focus on collaborative working (cultural differences).</li> <li>5. Diminishing / reduced resources and changes in the way public funds are directed.</li> <li>6. Pressure for social care services to be accessible 7 days a week both in terms of our own workforce and contracts with external providers in line with NHS priority to deliver 7 day working across the health sector.</li> <li>7. LBB will need to contribute to a whole system review (led by the Bromley Clinical Commissioning Group ) to ensure that funding follows the patient.</li> </ol>	<p>Chief Executive</p>	<p>A commitment to delivering an integration plan for health and social care services across the borough by 2017.</p> <p>Continued work with health partners to deliver the main transformation programmes.</p> <p>Building on the work already delivered through the S.75 and being implemented through the Better Care Fund workstream i.e. Reablement and Rehab services, Winter Resilience work, Transfer of Care Bureau and Integrated Care Records.</p>

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<p><b>ORGANISATIONAL CHANGE (failure to manage change and maintain an efficient workforce with the result that BBB priorities are not met)</b></p> <p><b>Issues:</b></p> <ol style="list-style-type: none"> <li>1. The on-going need to reduce the size and change the shape of the organisation to secure priority outcomes within the resources available.</li> <li>2. Having the right people in place by implementing effective recruitment and retention strategies.</li> <li>3. Potential skills gap and deterioration of service quality through loss of experienced staff as a result of age profile of workforce and downsizing (failure to succession plan).</li> <li>4. Disruption while services realigned and staff appointed to new structure.</li> <li>5. Increasing demands and pressures on remaining staff given increased customer expectation levels, could lead to morale issues.</li> <li>6. Increased potential for internal controls to be bypassed due to flatter reporting structure.</li> <li>7. Lack of capacity to lead projects / manage change agenda and consequent ability to respond to change initiatives and the achievement of outcomes and benefits.</li> <li>8. Potential future shortage of professionally qualified practitioners in key areas, particularly around the Safeguarding agenda.</li> <li>9. Need to ensure that relevant staff have necessary disciplines to drive improvement and enable good practice and consistency in delivering change and the achievement of outcomes and benefits e.g. risk and performance management.</li> <li>10. Adverse industrial relations climate with individual and collective grievances including trade disputes with the unions, causing some disruptions to vital Council services.</li> <li>11. Increasing number of employment tribunal cases causing financial and administrative inconveniences.</li> <li>12. Having the right buildings and facilities to support fewer, more professional, differently organised staff.</li> <li>13. Potential changes to working relationship with Members as we move to a smaller organisation.</li> <li>14. The need to track continued changes to government strategy and policies coupled with changes in legislation to avoid compliance issues (approx. 1,300 statutory duties).</li> <li>15. Adequacy of consultation on issues that affect residents across the borough i.e. re-organisation of libraries, Biggin Hill expansion.</li> <li>16. Adverse external audit comment and resulting ratings in relation to 'excellent in the eyes of local people'.</li> </ol>	<p>Director of Human Resources</p>	<p>Continuously address the recruitment and retention of key individuals in critical posts.</p> <p>Ensure the organisation has the HR capacity and employment law expertise to manage change.</p> <p>Address the transformational and transitional capabilities (including leadership) required for a successful commissioning journey/process.</p> <p>Provide adequate resources to support and improve staff engagement and communications.</p>

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<p><b>CONTRACT MANAGEMENT (failure to manage and monitor contracts effectively resulting in reduced performance and increased customer complaints)</b></p> <p><b>Issues:</b></p> <ol style="list-style-type: none"> <li>1. Ensuring client side staff have the necessary training and skills to manage and monitor contracts.</li> <li>2. Ensuring effective communication channels between client and provider to ensure contract compliance.</li> <li>3. Need for monitoring officers to check quality of outsourced services and customer satisfaction levels.</li> <li>4. Lack of understanding of the contract deliverables.</li> <li>6. Short cuts in procurement processes e.g. extending contracts rather than retendering.</li> <li>7. Compatibility of different systems and availability of IT support.</li> <li>8. Failure of a contractor / partner / provider to maintain agreed service levels resulting in an interruption to or deterioration of service delivery.</li> <li>9. Potential for operational errors / omissions by contractors (responsibility remains with LBB).</li> <li>10. Managing customer expectations and dealing with complaints where there are failures.</li> </ol>	Directors	<p>Contract Monitoring Summary templates be completed and loaded on the Contract Monitoring team site.</p> <p>Ensure that contract data is reported to each PDS committee as required under Contract Procedure Rules.</p> <p>Review the provision of contract and procurement information on onebromley.</p>
<p><b>INFORMATION COMMUNICATION TECHNOLOGY (failing to maintain and develop ICT information systems to reliably support departmental service delivery)</b></p> <p><b>Issues:</b></p> <ol style="list-style-type: none"> <li>1. Need to ensure that Information systems are fit for future business purpose.</li> <li>2. Capacity and skill within Corporate ICT to maintain and support systems during a period of significant change and in the future.</li> <li>3. Increasing reliance on stability of ICT infrastructure in all areas of the Council (Lync telephony service).</li> <li>4. Council website now a major channel for the delivery of services (Pay for it, Apply for it, Report it).</li> <li>5. Adequacy of information governance data protection rules to ensure the confidentiality, integrity and availability of information assets.</li> <li>6. IT failure impacting on critical operational systems.</li> <li>7. Over the next 3 years we will need to undertake gateway reviews / procurement plans for at least 4 of the Council's business critical systems; Customer Relationship Manager, Carefirst, Housing info system and Education's Capita One system plus the main LBB website and SharePoint.</li> <li>8. Transfer of IT contract to new ICT 3rd party supplier in 2016.</li> </ol>	Director of Corporate Services	<p>Effectively manage and plan for the transition of the IT contract from CAPITA to BT. Ensure business continuity and those deadlines for major works are achieved. Appoint Transition Manager.</p> <p>Carry out at least 4 gateway reviews for major systems.</p> <p>Increase stability of ICT infrastructure including Lync.</p>

CORPORATE RISK	RESPONSIBLE OFFICER	PRIORITY ACTIONS
<p><b>BUSINESS CONTINUITY AND EMERGENCY PLANNING (failure to maintain and update Business Continuity Plans, and our ability to respond to major external incidents, with the result that services are severely disrupted)</b></p> <p><b>Issues:</b></p> <ol style="list-style-type: none"> <li>1. Unavailability of Council offices / depots due to explosion / fire / flood etc.</li> <li>2. Operational emergencies due to severe weather conditions, fire, or major incident.</li> <li>3. Availability of trained staff to respond to external emergencies (the Council is a Category 1 responder).</li> <li>4. Loss of key business systems due to power problems or system failure.</li> <li>5. Inadequate IT disaster recovery arrangements leading to dislocation of Council services.</li> <li>6. Sustained industrial action affecting key services.</li> <li>7. Lack of Business Continuity Plan testing.</li> <li>8. Adequacy of contractor's business continuity plans.</li> <li>9. 'Flu' pandemic which could have a widespread impact across the borough.</li> </ol>	<p>Director of Environment and Community Services</p>	<p>To ensure that all Business Continuity Plans are up to date and are cross linked with one another across the Authority, specifically in relation to fall back sites, where there may be a number of departments using the same scarce resource.</p> <p>To revisit the evacuation protocols within the Civic Centre site, specifically where staff would go if there was a large cordon around Bromley Town Centre.</p> <p>To provide a more resilient out of hours service to Emergency Planning by having Local Authority Liaison Officers and Rest Centre Staff on call alongside the Emergency Planning on-call managers.</p>

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<p><b>Inability to deliver effective Children's Social Care services. (failure to discharge Children's Social Care functions)</b></p> <p><b>Issues:</b></p> <ol style="list-style-type: none"> <li><b>1. Failure to deliver effective children's services to fulfil safeguarding obligations and protect those at risk of sexual exploitation or missing from care.</b></li> <li><b>2. Failure to prevent a child or young person from suffering significant harm or death.</b></li> <li><b>3. Following 'Statutory Direction' from DfE, failure to perform to an adequate standard, some or all of the functions to which section 497A of the Education Act 1996 ("the 1996 Act") is applied by section 50 of the Children Act 2004 ("children's social care functions"), potentially leading to the recommendation to the Secretary of State that alternative delivery arrangements are the most effective way of securing and sustaining improvement</b></li> <li><b>4. Unfavourable media coverage and loss of credibility</b></li> </ol>	<p>Directors, Specifically Executive Director of ECHS</p>	<p>Multi Agency Bromley Safeguarding Board in place to identify and prevent safeguarding issues</p> <p>Effective contract monitoring arrangements to ensure acceptable quality of service provision and Value for Money</p> <p>Appointment of Deputy Chief Executive with Director of Children's Services responsibility.</p> <p>Children's Services Improvement Action Plan and Quality Assurance Audit programme</p> <p>Dedicated HR programme of support in place to recruit social workers to front line posts. 14 New social workers in the process of being recruited</p> <ul style="list-style-type: none"> <li>- £950K available for immediate use to build capacity</li> <li>- £2.3m available on a recurring basis for Children's services</li> </ul>

CONSEQUENCES
<p>The main consequences of failing to address these risks are that we fail to deliver a balanced budget with the result that we do not achieve our Building a Better Bromley priorities. This in turn will lead to public dissatisfaction, adverse publicity and damage our reputation as an 'excellent council'.</p>