Report No. ES18004	**London Borough of Bromley**
	PART ONE - PUBLIC

Decision Maker:	**ENVIRONMENT PDS COMMITTEE**
Date:	**30th January 2018**
Decision Type:	Non-Urgent Non-Executive Non-Key
Title:	**RISK REGISTER**
Contact Officer:	Alastair Baillie, Corporate Systems & Sustainability Manager Tel: 020 8313 4915 Email: Alastair.Baillie@Bromley.gov.uk
Chief Officer:	Nigel Davies, Executive Director of Environment & Community Services
Ward:	All Wards

1. <u>Reason for report</u>

1.1 This report presents the revised E&CS Risk Register for detailed scrutiny by PDS Committee.

1.2 This report is based on information, covering all Portfolios, which was presented to Audit Sub-Committee on 8 November 2017.

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2. **RECOMMENDATIONS**

That PDS Committee reviews and comments on the appended E&CS Risk Register.

Impact on Vulnerable Adults and Children

1. Summary of Impact: The appended Risk Register covers the Department as a whole including the services it provides. Addressing the impact of service provision on vulnerable adults and children is generally a matter for the relevant procurement strategies, contracts award and monitoring reports, and service delivery rather than this Risk Register report.

Corporate Policy

1. Policy Status: Existing Policy:

2. BBB Priority: Excellent Council:

Financial

1. Cost of proposal: N/A

2. Ongoing costs: N/A

3. Budget head/performance centre: Environment Portfolio

4. Total current budget for this head: £29.56m

5. Source of funding: Existing revenue budget 2017/18

Personnel

1. Number of staff (current and additional): -

2. If from existing staff resources, number of staff hours: -

Legal

1. Legal Requirement: Statutory Requirement:

2. Call-in: Not Applicable:

Procurement

1. Summary of Procurement Implications: Risk management contributes to contract management and good governance

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): N/A

Ward Councillor Views

1. Have Ward Councillors been asked for comments? N/A

2. Summary of Ward Councillors comments: N/A

3. COMMENTARY

Risk Register Background

3.1 The Council sets out its aims and outcomes in [Building a Better Bromley](#) and the Portfolio Plans (e.g. [Environment Portfolio Plan](#)) and a risk can be defined as anything which could negatively affect these outcomes. Some level of risk is associated with any service delivery: the question is how best to manage the risk down to an acceptable level (our 'risk appetite').

3.2 It follows that the Council should be able to clearly detail the main departmental risks and related mitigation measures to ensure a) that desired outcomes are achieved and b) to allow for Member scrutiny (the purpose of this report).

3.3 Although the appended E&CS Risk Register is comprehensive, environmental risk management activity is not exclusive to the Risk Register and this report. For instance:

- projects or programmes (e.g. Tree Management Strategy) should have an associated Risk Register (such registers are generally reviewed by the relevant Programme Boards);

- financial risk is addressed in each Portfolio's regular Budget Monitoring Reports and the Council's Annual Financial Strategy Report;

- audit risk is chiefly captured through the Audit Programme's associated reports and management action requirements;

- contract risk forms part of the new Contracts Database and associated Contract Registers (all contracts are now quantified and ranked according to the risk presented to the Council). It should be noted that the proposed Environmental Services Contract appears in both this Risk Register and the Contracts Register due to its size and complexity. The Contracts Register for the Environment Portfolio is appended to Report ES18002 (also on this agenda).

3.4 Risks from all three departments are considered at the (officer) Corporate Risk Management Group (CRMG), which met during 2017 on 16 February 2017; 5 June 2017 and 2 October 2017.

3.5 Risk Registers from all Directorates are also reviewed by Audit Sub Committee ([Wednesday, 8 November 2017](#) – item 7) but detailed scrutiny is the responsibility of the PDS committees.

3.6 Risk Registers have been produced by the departments for many years but during 2016/17 Zurich Municipal (the Council's insurer) undertook a review of the general approach and individual risks to improve quality and consistency. This review involved Zurich Risk Engineering attending each Departmental Management Team (DMT) meeting, to provide an element of 'check and challenge', and this took place at E&CS's Extended DMT on 20 June 2017.

3.7 The process resulted in:

- 81 risks being identified for all Council Directorates plus a further eight, high-level, Corporate Risks (covering key risks for the Council as a whole);

- E&CS's 51 previously identified risks being consolidated into 21 risks (~25% of the Council's total) and the new style Risk Register was presented to E&CS DMT on 28 September 2017.

3.8 In future it is intended that Risk Registers should be presented to each Departmental Management Team, the relevant PDS committee, and Audit Sub-Committee twice a year to allow risk management activity to be scrutinised in a regular and systematic manner. The risks themselves should also be reviewed (by the Risk Owners) at a frequency proportionate to the risk they present.

3.9   In addition to its use for management and reporting purposes, the Risk Register also forms part of E&CS's evidence-base for contributing to the Council's Annual Governance Statement (which, itself, forms part of the Council's end-of-year accounting process).

3.10 The appended Risk Register is summarised below. Each risk is scored using a combination of the 'likelihood' (definite to remote) and 'impact' (insignificant to catastrophic) to produce a Gross Rating (prior to controls) and Net Rating (resulting from the management controls). No E&CS risks are currently ragged as 'red' following implementation of management control measures.

Ref	Risk & Description	Gross Risk Rating	Net Risk Rating
1	**Emergency Response:** Failure to respond effectively to a major emergency / incident internally or externally	8	6
2	**Central Depot Access:** Major incident resulting in loss of / reduced Depot access affecting service provision (LBB's main vehicle depot)	6	3
3	**Fuel Availability:** Fuel shortage impacting on transport fleet / service delivery	3	2
4	**Business Continuity Arrangements:** Lack of up-to-date, tried and tested, BCP for all Council services	8	6
5	**Infectious Disease:** Pandemic outbreak leading to staff shortages potentially coupled with increased service demand	5	5
6	**Industrial Action:** Contractors' staff work-to-rule / take strike action impacting on service delivery	6	2
7	**Line of Business Systems:** Temporary loss of key systems such as CONFIRM / UNIFORM etc due to IT failure	9	9
8	**Health & Safety (E&CS):** Ineffective management, processes and systems within E&CS departmentally	8	6
9	**Health & Safety (Council):** Ineffective management, processes and systems across all Council departments	8	3
10	**Environmental Services Contract (General):** Failure to procure tendered services to schedule and to budget	12	6
11	**Highways Management:** Deterioration of the Highway Network due to under-investment	8	6
12	**Arboricultural Management:** Failure to inspect and maintain Bromley's tree stock leading to insurance claims etc	12	9
13	**Income Variation:** Loss of income at a time when the Council is looking to grow income to off-set reduced funding	6	4
14	**Waste Budget:** Increasing waste tonnages resulting in increased waste management costs	12	6
15	**Environmental Services Contract (Waste):** Waste growth and proposed management solutions / technologies fail to control waste costs	12	4
16	**Food Standards Agency Audit:** Failure to meet required service standards as required by Food Standards Agency Audit (April 2017)	16	9
17	**Town Centre Businesses:** Loss of town centre businesses to competition	12	6
18	**New Parking Schemes:** Failure to deliver new parking schemes resulting in income loss and congestion	12	6
19	**Staff Recruitment and Retention:** Loss of corporate memory and ability to deliver as key staff leave (good new staff are at a premium)	9	4
20	**Burial Space:** Insufficient Council-operated burial space for long-term demand	9	4
21	**Climate Change:** Failure to adapt the borough and Council services to our changing climate	9	6

3.11 The risks (including causes and effects) are described in more detail in the appended Risk Register. Each risk is assigned a category (Compliance & Regulation, Finance, Service Delivery, Reputation and Health & Safety) and scored – using a combination of the 'likelihood' and 'impact' both being assessed on a scale of 1-5 – to produce a gross risk score.

3.12 Current controls designed to mitigate the risk are also listed and these, in turn, result in a (lower) net risk score. Finally, additional actions are listed for the Risk Owner to consider to further reduce the level of risk (commensurate with their risk appetite).

4. IMPACT ON VULNERABLE ADULTS & CHILDREN

4.1 The appended Risk Register covers environmental services, which tend to be universal in nature, rather than being specifically directed towards vulnerable adults and children.

5. POLICY IMPLICATIONS

5.1 The Council's renewed policy ambition for the borough is set out in the 2016-18 update to Building a Better Bromley and the various Portfolio Plans. Risk Registers help to deliver these policy aims by identifying issues which could impact on 'ensuring good contract management to ensure value-for-money and quality services' and putting in place mitigation measures to reduce risk and help deliver the policy aims and objectives.

6. PROCUREMENT IMPLICATIONS

6.1 Contract and hence procurement risk is mainly captured in the Contracts Database and Contracts Register Report rather than this Risk Register Report. That said, progress towards the proposed new Environmental Services Contract is captured in the appended register due to the contract's strategic importance.

7. FINANCIAL IMPLICATIONS

7.1 There are no direct financial implications arising from this report, however the Risk Register does identify areas that could have financial risks.

8. PERSONNEL IMPLICATIONS

8.1 There are no direct personnel implications but the Risk Register does identify service areas where recruitment and capacity present challenges (e.g. 19: Staff Recruitment & Retention).

9. LEGAL IMPLICATIONS

9.1 There are no direct legal implications but the Risk Register does identify some legal issues: e.g. the Food Standards Agency Audit, compliance with Health & Safety law, and Industrial Action.

Non-Applicable Sections:	None
Background Documents: (Access via Contact Officer)	Risk Register Review by Audit Sub-Committee