

Decision Maker: ENVIRONMENT & COMMUNITY SERVICES PDS COMMITTEE

Date: 10 July 2018

Decision Type: Non-Urgent Non-Executive Non-Key

Title: RISK REGISTER

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Chief Officer: Nigel Davies, Executive Director of Environment & Community Services

Ward: All Wards

1. Reason for report

- 1.1 This report presents the revised E&CS Risk Register for detailed scrutiny by PDS Committee.
- 1.2 This appended Risk Register also forms part of the 2017/18 Annual Governance Statement evidence-base and has been reviewed by: E&CS DMT (15 March 2018); Corporate Risk Management Group (10 April 2018); and Audit Sub-Committee (24 May 2018).

2. **RECOMMENDATIONS**

That the Environment and Community Services 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 services provided by E&CS Department and some borough-wide risks. Addressing the impact of service provision on vulnerable adults and children is a matter for the relevant procurement strategies, contracts and service delivery rather than this high-level Risk Register report.
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Corporate Policy

1. Policy Status: Existing Policy:
 2. BBB Priority: Excellent Council:
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Financial

1. Cost of proposal: N/A
 2. Ongoing costs: N/A
 3. Budget head/performance centre: Environment and Community Services Department
 4. Total current budget for this head: £41.473m
 5. Source of funding: Existing controllable revenue budget 2018/19
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Personnel

1. Number of staff (current and additional): - 167.7 FTEs
 2. If from existing staff resources, number of staff hours: - N/A
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Legal

1. Legal Requirement: Statutory Requirement:
 2. Call-in: Not Applicable:
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Procurement

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

1. Estimated number of users/beneficiaries (current and projected): N/A
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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's aims are set out in [Building a Better Bromley](#) and the Portfolio Plans, and a risk can be defined as anything which could negatively affect the associated outcomes. Some level of risk will be associated with any service provision: the question is how best to manage that risk down to an acceptable level (this is known as our 'risk appetite').
- 3.2 It follows that the Council should be able to clearly and regularly 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, departmental risk management activity is certainly not exclusive to this report. For instance:
- major programmes and services (e.g. Tree Management Strategy) will have associated Risk Registers (such registers are reviewed by the relevant Programme / Service Boards);
 - financial risk is addressed in each Portfolio's Budget Monitoring Reports and, more generally, in the Council's Annual Financial Strategy Report;
 - audit risk is captured through the Audit Programme's planned and investigative activity and associated reports and management action requirements;
 - contract risk forms part of the Contracts Database (all contracts are now quantified and ranked according to the risk presented to the Council). The proposed Environmental Services Contract, therefore, appears both in this Risk Register and the Corporate Contracts Register, due to its size and complexity. The Contracts Register for the Environment Portfolio is appended to Report ES18036 (also on this agenda).
- 3.4 In 2016/17 Zurich Municipal (the Council's insurer) undertook a 'check and challenge' review (involving all management teams) of the Council's general approach and the individual risks. This resulted a new-style of register and a greater consistency of approach across the Council.
- 3.5 It was agreed that Risk Registers should be presented to each Departmental Management Team, the relevant PDS committee, and Audit Sub-Committee twice a year (minimum) to allow activity to be scrutinised in a regular and systematic manner. Individual risks should naturally be reviewed (by Risk Owners) at a frequency proportionate to the risk presented (see appendix).
- 3.6 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 management procedures).
- 3.7 Risks from all three departments are considered at the (officer) Corporate Risk Management Group (CRMG), which reviewed all the Risk Registers when it last met on 10 April 2018.
- 3.8 The Risk Registers were then reviewed by Audit Sub-Committee (24 May 2018), but detailed scrutiny of individual registers is the responsibility of each PDS committee (hence this report).
- 3.9 At the time of writing, the Council has 81 individual risks plus eight, high-level, Corporate Risks (covering key risks which apply to the Council as a whole).
- 3.10 E&CS Department currently has 21 risks (~25% of the Council's total) and the Risk Register was reviewed by E&CS DMT on 15 March 2018.

3.11 The appended E&CS 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' (post management controls) – see Appendix. No risks are ragged '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

3.12 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.

3.13 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)	None

RISK REGISTER REPORT (ES18037): RISK ASSESSMENT GUIDANCE SUMMARY

LIKELIHOOD	Almost Certain (5)	5	10	15	20	25	15+	High Risk: review controls/actions every month
	Highly Likely (4)	4	8	12	16	20	10 - 12	Significant Risk: review controls/actions every 3 mths
	Likely (3)	3	6	9	12	15	5 - 9	Medium Risk: review controls/actions every 6 months
	Unlikely (2)	2	4	6	8	10	1 - 4	Low Risk: review controls/actions at least annually
	Remote (1)	1	2	3	4	5		
	Insignificant (1)	Minor (2)	Moderate (3)	Major (4)	Catastrophic (5)			
	IMPACT							

LIKELIHOOD KEY					
Expected frequency	Remote (1)	Unlikely (2)	Possible (3)	Likely (4)	Definite (5)
Expected frequency	10-yearly	3-yearly	Annually	Quarterly	Monthly

IMPACT KEY					
Risk Impact	Insignificant (1)	Minor (2)	Moderate (3)	Major (4)	Catastrophic (5)
Compliance & Regulation	<ul style="list-style-type: none"> Minor breach of internal regulations (not reportable) 	<ul style="list-style-type: none"> Minor breach of external regulation (not reportable) 	<ul style="list-style-type: none"> Breach of internal regulations leading to disciplinary action Breach of external regulations, reportable 	<ul style="list-style-type: none"> Significant breach of external regulations leading to intervention or sanctions 	<ul style="list-style-type: none"> Major breach leading to suspension or discontinuation of business and services
Financial	<ul style="list-style-type: none"> <£50,000 	<ul style="list-style-type: none"> > £50,000 <£100,000 	<ul style="list-style-type: none"> >£100,000 <£1,000,000 	<ul style="list-style-type: none"> >£1,000,000 <£5,000,000 	<ul style="list-style-type: none"> >£5,000,000
Service Delivery	<ul style="list-style-type: none"> Disruption to one service for a period <1 week 	<ul style="list-style-type: none"> Disruption to one service for a period of 2 weeks 	<ul style="list-style-type: none"> Loss of one service for between 2-4 weeks 	<ul style="list-style-type: none"> Loss of one or more services for a period of 1 month or more 	<ul style="list-style-type: none"> Permanent cessation of service(s)
Reputation	<ul style="list-style-type: none"> Complaints from individuals / small groups of residents Low local coverage 	<ul style="list-style-type: none"> Complaints from local stakeholders Adverse local media coverage 	<ul style="list-style-type: none"> Broader based general dissatisfaction with the running of the Council Adverse national media coverage 	<ul style="list-style-type: none"> Significant adverse national media coverage Resignation of Director(s) 	<ul style="list-style-type: none"> Persistent adverse national media coverage Resignation / removal of CEX / elected Member
Health & Safety	<ul style="list-style-type: none"> Minor incident resulting in little harm 	<ul style="list-style-type: none"> Minor injury to Council employee or someone in the Council's care 	<ul style="list-style-type: none"> Serious injury to Council employee or someone in the Council's care 	<ul style="list-style-type: none"> Fatality to Council employee or someone in the Council's care 	<ul style="list-style-type: none"> Multiple fatalities to Council employees or individuals in the Council's care