

**Decision Maker:** EXECUTIVE, RESOURCES AND CONTRACTS POLICY  
DEVELOPMENT AND SCRUTINY COMMITTEE

**Date:** Information Briefing – Tuesday 18<sup>th</sup> October 2022

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

**Title:** RISK MANAGEMENT

**Contact Officer:** Tasnim Shawkat, Director of Corporate Services and Governance –  
Corporate Services Risk Register  
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**Chief Officer:** Director of Finance

**Ward:** (All Wards);

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1. Reason for decision/report and options

This report provides Members of the Executive, Resources and Contracts Policy, Development and Scrutiny Committee with the Gross 'High' (Red) rated risks extract from the Corporate Services, Finance and, the Human Resources and Customer Services Risk Registers.

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2. **RECOMMENDATION**

**Members of the Executive, Resources and Contracts Policy, Development and Scrutiny Committee are requested to note the attached Risk Register extracts and direct any queries they may have to the relevant Contact Officer.**

### Impact on Vulnerable Adults and Children

1. Summary of Impact: There are no direct implications for Vulnerable Adults and Children arising from the attached Risk Register extracts, although failure of the Council to meet its commitments in any risk area could directly impact on life chances.
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### Transformation Policy

1. Policy Status: Not Applicable:
  2. Making Bromley Even Better Priority  
To manage our resources well, providing value for money, and efficient and effective services for Bromley's residents.
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### Financial

1. Cost of proposal: Not Applicable
  2. Ongoing costs: Not Applicable
  3. Budget head/performance centre: Not Applicable
  4. Total current budget for this head: £ Not Applicable
  5. Source of funding: Not Applicable
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### Personnel

1. Number of staff (current and additional): Not Applicable
  2. If from existing staff resources, number of staff hours: Not Applicable
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### Legal

1. Legal Requirement: None:
  2. Call-in: Not Applicable:
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### Procurement

1. Summary of Procurement Implications: Where applicable, the risk category is reflected as Contractual and Partnership.
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### Property

1. Summary of Property Implications: Where applicable, the risk category is reflected as 'Physical', which includes hazards/risks associated with buildings.
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### Carbon Reduction and Social Value

1. Summary of Carbon Reduction/Sustainability Implications: Where applicable, the risk category is reflected as Environmental.
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### Customer Impact

1. Estimated number of users or customers (current and projected): This report is intended primarily for the benefit of members of the Executive, Resources and Contracts Policy, Development and Scrutiny Committee.
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### Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments: Not Applicable

### 3. COMMENTARY

- 3.1 This report provides members of the Executive, Resources and Contracts Policy, Development and Scrutiny Committee with the Gross 'High' (Red) rated risks for the areas falling within their remit.
- Corporate Services (Appendix A)
  - Finance (Appendix B)
  - Human Resources and Customer Services (Appendix C)
- 3.2 Each Director retains responsibility for the risks and controls within their division, with Internal Audit coordinating the Risk Management process via the Corporate Risk Management Group and the Audit and Risk Management Committee.
- 3.3 The Corporate Risk Register, together with the Departmental Risk Registers for the areas coming under the remit of the Executive, Resources and Contracts PDS Committee, were last presented, in full, to their meeting of 28<sup>th</sup> July 2022.
- 3.4 Since July, an 'Information Request Non-Compliance' risk, with Gross and Net 'High' (Red) Risk Ratings, has been added to the Corporate Services Risk Register.
- 3.5 Two salient amendments have been made to the existing Gross 'High' (Red) rated risks in the Corporate Services Risk Register (IT Security Failure and Data Protection Breach) and three in the Finance Risk Register (Financial Market Volatility, Capital Financing Shortfall and Sustainable Financial Strategy). The Health and Safety Risk within the Human Resources and Customer Services Risk Register has also been refreshed. These amendments are set out in Table 1.
- 3.6 In line with the risk reporting cycle, formal scrutiny of the Corporate and all Departmental Risk Registers was undertaken by the Corporate Risk Management Group on 23<sup>rd</sup> September 2022. The Corporate Risk Register will be presented to the Audit and Risk Management Committee on 2<sup>nd</sup> November. At the request of that Committee, the Departmental Net Risk position will be presented as Heat Maps. Salient amendments to the Corporate Risk Register and Departmental Risk Registers coming under the remit of the Executive, Resources and Contracts PDS, will be notified to their 23<sup>rd</sup> November 2022 meeting.

**Table 1**

<b>Corporate Services Risk Register</b>	
<b>Risk 1</b>	<b>IT Security Failure</b>  Increase of the Net Likelihood and consequent increase of the Net Risk Rating from 'Significant' to 'High'
<b>Risk 12</b>	<b>Data Protection Breach</b>  Increase of Net Likelihood, Net Impact and consequent increase of the Net Risk Rating from 'Medium' to 'Significant'

	Refresh of the Controls to reflect that LBB is currently compliant with the Public Services Network Code of Connection (PSN CoCo) but has not achieved standards on the DSP (Data Security and Protection) Toolkit due to lack of training uptake.
<b>Risk 17</b>	<p>Addition of '<b>Information Request Non-Compliance</b>' Risk</p> <p>Gross and Net Risk Ratings 'High'</p> <p>For full risk narrative, please see Appendix A.</p>

<b>Finance Risk Register</b>	
<b>Risk 2</b>	<p><b>Financial Market Volatility.</b> Financial loss arising from the volatility of financial markets</p> <p>Reduction of Gross Impact and consequent reduction of the Gross Risk Rating from 'High' to 'Significant'.</p> <p>Refresh of Control 7 to reflect the Treasury Management Strategy developed in consultation with Link Asset Services.</p> <p>Please note that as the Gross Risk Rating has been reduced to 'Significant', this no longer appears on the extract attached as Appendix B.</p>
<b>Risk 3</b>	<p><b>Capital Financing Shortfall.</b> Inability to finance the Capital programme</p> <p>Increase of Gross Likelihood, Gross Impact and consequent increase of the Gross Risk Rating (remains 'High').</p> <p>Increase of Net Likelihood, Net Impact and consequent increase of the Net Risk Rating from 'Medium' to 'High'.</p> <p>Addition of Causes:-</p> <ul style="list-style-type: none"> <li>- Significant additional costs arising from expected outcome of condition survey</li> <li>- Requirement to obtain funding for significant new Housing Schemes</li> <li>- Overall capital funding shortfall calculated at £45m as at September 2022</li> </ul> <p>Addition of the Control 'Comprehensive Review of Capital Programme being undertaken in 2022'.</p> <p>Please note that these amendments have also been reflected in the Corporate Risk Register as this risk was elevated from Departmental to Corporate status by COE on 20<sup>th</sup> September 2022. (Corporate Risk 16).</p>
<b>Risk 5</b>	<p><b>Failure to deliver a sustainable Financial Strategy which meets with Making Bromley Even Better priorities and failure of individual departments to meet budget</b></p>

	<p>Refresh of Cause 2 to reflect that the fundamental review of local government funding through the Fair Funding Review and Business Rate review is expected to be delayed beyond 2023/24, which adds to financial uncertainty in considering the impact on the financial forecast for 2023/24 to 2026/27. Although the ongoing impact of Covid 19 remains, there are new significant changes to the future year's financial position relating to Adult Social Care reforms (potential increase in net costs of between £10m and £15m) and the significant cost increases arising from inflation (highest level for 40 years) which are not reflected in the 'budget gap' identified.</p> <p>Refresh of Cause 8 to reflect the impact of future welfare reforms and the phased roll out of Universal Credit.</p> <p>Please note that these amendments have also been reflected in the Corporate Risk Register (Corporate Risk 1).</p>
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<b>Human Resources and Customer Services Risk Register</b>	
<b>Risk 9</b>	<p><b>Health and Safety (Council) (Risk 9)</b> Ineffective management, processes and systems across all Council departments, including in relation to the following areas:- Fire Safety, Lone Working, Violence and Aggression at Work</p> <p>Refresh of the Causes to include 'processes' with 'Outdated policies' and, addition of 'Lack of clarity over the breakdown of responsibilities across the organisation'.</p> <p>Addition of Controls:-</p> <ul style="list-style-type: none"> <li>- Corporate Health and Safety Committee and Departmental Safety Committees meet regularly</li> <li>- Quarterly Health and Safety updates provided to the Corporate Leadership Team</li> </ul> <p>Deletion of Further Action Required:-</p> <ul style="list-style-type: none"> <li>- Full time Health and Safety Manager</li> <li>- Departmental Safety Committees meet regularly. Health and Safety Committee meetings Terms of Reference being reviewed to ensure Senior Management ownership</li> </ul> <p>Addition of Further Action Required 'Health and Safety policy to be revised to set out the Organisation's general approach to health and safety'.</p> <p>Refresh of Further Action Required to reflect 'Informal' Health and Safety Audits to be undertaken by Corporate Health and Safety.</p>

#### **4. IMPACT ON VULNERABLE ADULTS AND CHILDREN**

4.1 There are no direct implications for Vulnerable Adults and Children arising from the attached Risk Register extracts although failure of the Council to meet its commitments in any risk area could indirectly impact on life chances.

#### **5. TRANSFORMATION/POLICY IMPLICATIONS**

5.1 Where applicable, the risk category in all registers is reflected as 'Financial, Operational'.

#### **6. FINANCIAL IMPLICATIONS**

6.1 The Finance department's Gross Red Risks are attached as Appendix B. Where applicable, the risk category in all registers is reflected as 'Financial, Operational'.

#### **7. PERSONNEL IMPLICATIONS**

7.1 The Human Resources' department's Gross Red Risk is attached as Appendix C. Where applicable, the risk category in all risk registers is reflected as 'Personnel, Operational'.

#### **8. LEGAL IMPLICATIONS**

8.1 Where applicable, the risk category in all registers is reflected as 'Legal, Operational'.

#### **9. PROCUREMENT IMPLICATIONS**

9.1 Where applicable, the risk category in all registers is reflected as 'Contractual and Partnership'.

#### **10. PROPERTY IMPLICATIONS**

10.1 Where applicable, the risk category is reflected as 'Physical, Operational', which includes hazards/risks associated with buildings.

#### **11. CARBON REDUCTION/SOCIAL VALUE IMPLICATIONS**

11.1 Where applicable, the risk category is reflected as Environmental.

<b>Non-Applicable Headings:</b>	Customer Impact Ward Councillor Views
Background Documents: (Access via Contact Officer)	None