

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

Date: Information Briefing – Monday 15th May 2023

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
Tel: 020 8461 7899 E-mail: tasnim.shawkat@bromley.gov.uk

Peter Turner, Director of Finance – Finance Risk Register
Tel: 020 8313 4338 E-mail: peter.turner@bromley.gov.uk

Charles Obazuaye, Director of Human Resources, Customer Services and
Public Affairs – Human Resources and Customer Services Risk Register
Tel: 020 8313 4335 E-mail: charles.obazuaye@bromley.gov.uk

Chief Officer: Director of Finance

Ward: (All Wards);

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.

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.
-

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.
-

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
-

Personnel

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

Legal

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

Procurement

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

Property

1. Summary of Property Implications: Where applicable, the risk category is reflected as 'Physical', which includes hazards/risks associated with buildings.
-

Carbon Reduction and Social Value

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

Impact on the Local Economy

1. Summary of Local Economy Implications: Where applicable, the risk category is reflected as Economic.
-

Impact on Health and Wellbeing

1. Summary of Health and Wellbeing Implications: There are no direct Health and Wellbeing Implications 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.
-

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.
-

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 23rd November 2022 and the Departmental Gross 'High' (Red) rated risks on 2nd February 2023.
- 3.4 In line with the risk reporting cycle, formal scrutiny of the Corporate and all Departmental Risk Registers will be undertaken by the Corporate Risk Management Group on 24th May 2023. The Corporate Risk Register, together with the Departmental Net Risk Heat Maps, will be reported to Audit and Risk Management Committee on 4th July 2023. Salient amendments to the Corporate Risk Register and the Departmental Risk Registers coming under the remit of the Executive, Resources and Contracts PDS, will be notified to their 7th August meeting.
- 3.5 Since the last report, one salient amendment has been made to the Net 'High' (Red) rated risk position as set out in Table 1 and summarised below.
- Decrease of the 'Capital Financing Shortfall' Net Risk Rating from 'High' to 'Significant'.
- 3.6 Significant changes are proposed to some Human Resources and Customer Services risks. These are pending sign off and the refreshed iteration will be included in the next Risk Management report to this Committee on 7th August'.

Table 1

Finance Risk Register (For full risk narrative, please see Appendix B)	
Risk 3	Capital Financing Shortfall. Refresh of Risk to reflect the 'risk of significant costs increase in the Capital Programme and possible reductions in proceeds from disposals could impact on the Council's ability to fully fund the Capital programme'. Decrease of Net Risk Rating from 'High' to 'Significant' (Gross Risk Rating remains 'High').

	<p>Refresh of Causes:-</p> <ul style="list-style-type: none"> - Property price reductions as a result of the economic environment could have a negative impact on sale proceeds. - Limited scope to identify further Council assets for disposal. - Significant additional costs and future liabilities across the Council's operational estate arising from any further condition survey liabilities not identified at this stage. - Requirement to obtain funding for significant new Housing Schemes and impact of higher borrowing costs. - In January 2023, a report titled Capital Strategy 2023-24 to 2026-27 and Q3 Capital Programme Monitoring to Executive identified a significant increase in the Council's capital programme and resulting funding proposals given the factors identified above there is a risk that significant changes in cost and proceeds could create a new capital financing shortfall that needs to be addressed. The full funding identified excludes the potential works relating to potential works on the Churchill Theatre and library with proposals expected to be reported to Members later this year. - Only limited earmarked reserves available to support the capital programme, once other pressures (inc revenue budget gap) are factored in. <p>Refresh of Effect(s):</p> <ul style="list-style-type: none"> - Without alternative funding, the Council would require drawdown from revenue resources. This would increase the Council's revenue budget gap. - Or many schemes would not progress due to lack of funding available although the scope to do this may be limited given the critical nature of some of the works required. <p>These amendments have also been reflected in the Corporate Risk Register (Risk 16).</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.

12. IMPACT ON THE LOCAL ECONOMY

12.1 Where applicable, the risk category is reflected as Economic.

13. IMPACT ON HEALTH AND WELLBEING

13.1 There are no direct Health and Wellbeing Implications 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.

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