BIRMINGHAM CITY COUNCIL

PUBLIC REPORT

Report to:	**Audit Committee**
Report of:	**Assistant Director, Audit & Risk Management**
Date of Meeting:	**24th November 2015**
Subject:	**Corporate Risk Register Update**
Wards Affected:	**All**

1. Purpose of Report

1.1 To update the Audit Committee with information on the management of risks and issues within the Corporate Risk Register (CRR) (Appendix A). The information in Appendix A has been compiled using updates received from directorates.

2. Recommendations

2.1 That the Audit Committee review the information provided by directorates and decide if the risk ratings are reasonable, if action being taken is effective, or if further explanation / information is required. The level of risk has remained static for most risks, but one has increased:

- 2015/16.22 - Lack of capacity and capability to respond to the threat of industrial action, employee relations tensions, etc. due to organisational downsizing.

2.2 That the Audit Committee note that the element of risk 2015/16.23, relating to the Windows 7 Project has been addressed. However, concerns remain regarding the continuous refresh / update of IT equipment. The risk will therefore remain and be reworded at the next updated.

2.3 That the Audit Committee approves the rewording of two risks:

- 2015/16.11 - to include reference to setting a medium / long term balanced budget.
- 2015/16.20 - to include reference to commitments made in the Council's Improvement Plan and Leaders Policy Statement.

2.4 That the Audit Committee approves the two new risks:

- 2015/16.29 - Risk of Court deciding against the Council regarding the Homeless Service.
- 2015/16.30 - Risk of challenge regarding implementation of the Younger Peoples Re-Provision Programme.

2.5 That the Audit Committee considers if any additional new risks, further re-wordings or deletions should be included in the CRR.

2.6 That the Audit Committee considers if it requires further information on the management of any of the risks included in the CRR.

3. Background Information

3.1 Members have a key role within the risk management process.

3.2 The Audit Committee terms of reference, sets out its responsibilities and in relation to risk management these are:

- providing independent assurance to the Council on the effectiveness of the risk management framework and the associated control environment,
- whether there is an appropriate culture of risk management and related control throughout the Council,
- to review and advise the Executive on the embedding and maintenance of an effective system of corporate governance including internal control and risk management; and
- to give an assurance to the Council that there is a sufficient and systematic review of the corporate governance, internal control and risk management arrangements within the Council.

4. Corporate Risk Register Update

4.1 The CRR is aligned to the corporate objectives of the Council and identifies the key risks to be managed at a corporate level.

4.2 The CRR focuses on the cross-cutting corporate issues.

4.3 A Lead Director has been identified for each risk as well as all Directors taking ownership for the risks. Directors have provided information detailing the management of the risks within their service areas as at September / October 2015.

4.4 The CRR is attached as Appendix A.

5. Embedding Risk Management

5.1 Presentations, training and facilitated workshops are provided by Birmingham Audit on request to help embed risk management across the Council and in working with our partners. The current main route to provide risk management awareness is the e-learning package for managers, accessed via the internet.

5.2 Information on the Council's approach to risk management is available via the BCC website - these are public documents for staff, external partners and anyone else to see. Additional information is attached to the risk management page on InLine, to support staff in using risk management in their day to day role. Advice, support and guidance are provided by Birmingham Audit as requested.

5.3 Service managers are also asked about their risk management arrangements as part of routine audit work. In addition the mandatory Public Sector Internal Audit Standards include a requirement with regard to risk management.

5.4 Risk management is also covered within the Annual Governance Statement.

6. Legal and Resource Implications

6.1 The work carried out is within approved budgets.

7. Risk Management & Equality Impact Assessment Issues

7.1 Risk management forms an important part of the internal control framework within the Council.

7.2 The Council's risk management strategy has been Equality Impact Assessed and was found to have no adverse impacts.

8. Compliance Issues

8.1 Decisions are consistent with relevant Council Policies, Plans and Strategies.

9. Recommendations

9.1 That the Audit Committee review the information provided by directorates and decide if they agree that the risk ratings are reasonable, if action being taken is effective, or if further explanation / information is required.

9.2 That the Audit Committee approves the two new risks:

- 2015/16.29 - Risk of Court deciding against the Council regarding the Homeless Service.
- 2015/16.30 - Risk of challenge regarding implementation of the Younger Peoples Re-Provision Programme.

9.3 That the Audit Committee approves the proposed re-wordings, and amendments.

9.4 That the Audit Committee considers if any new risks, further re-wordings or deletions should be included in the CRR.

9.5 That the Audit Committee considers if it requires further information on the management of any of the risks included in the CRR.

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Interim Assistant Director, Audit & Risk Management

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Current / Residual risk (i.e. inherent risk mitigated by controls/actions in place):

Likelihood:

High			**10**	**1, 2, 3, 4, 29**
Significant		**16, 17, 18**	**30**	**5, 6, 7, 9**
Medium		**19, 20, 21**	**13, 14, 15, 22,**	**11, 12**
Low			**23, 24**	
	Low	Medium	Significant	High

Impact

Key:

Severe	Immediate control improvement to be made to enable business goals to be met and service delivery maintained / improved
Material	Close monitoring to be carried out and cost effective control improvements sought to ensure service delivery is maintained
Tolerable	Regular review, low cost control improvements sought if possible

Measures of likelihood:

Description	Example Detail Description
High	Almost certain, is expected to occur in most circumstances. Greater than 80% chance.
Significant	Likely, will probably occur in most circumstances. 50% - 80% chance.
Medium	Possible, might occur at some time. 20% - 50% chance.
Low	Unlikely, but could occur at some time. Less than 20% chance.

Measures of impact:

Description	Example Detail Description
High	Critical impact on the achievement of objectives and overall performance. Critical opportunity to innovate / improve performance missed / wasted. Huge impact on costs and/or reputation. Very difficult to recover from and possibly requiring a long term recovery period.
Significant	Major impact on costs and objectives. Substantial opportunity to innovate / improve performance missed / wasted. Serious impact on output and/or quality and reputation. Medium to long term effect and expensive to recover from.
Medium	Waste of time and resources. Good opportunity to innovate / improve performance missed / wasted. Moderate impact on operational efficiency, output and quality. Medium term effect which may be expensive to recover from.
Low	Minor loss, delay, inconvenience or interruption. Opportunity to innovate / make minor improvements to performance missed / wasted. Short to medium term effect.

Index by Risk / Issue Number

Revised No.	Prev No.	Short Description of Risk / Issue	Page
2015/16.01	1c	Defend and / or settle post 2008 equal pay claims	10
2015/16.02	23	Improving children's safeguarding and children's social care	10
2015/16.03	14b / 50	Failure to manage the schools PFI contracts effectively leading to the lack of investment into the schools stock	12
2015/16.04	59	Risk of enforcement action and fines by the ICO for failure to comply with the 40 day timescale for responding to SARs	13
2015/16.05	1a	Defend and / or settle pre 2008 equal pay claims	14
2015/16.06	1b	Further equal pay claims	14
2015/16.07	57	Not responding fully and effectively to the issues from recent reviews concerning school governance and related matters	15
2015/16.08	60	Risk deleted - July 2015	N/A
2015/16.09	61	Not responding fully and effectively to the improvement agenda for Children	16
2015/16.10	46	Resolution of contractual issues in the Highway Maintenance and Management PFI contract, and failure to obtain the full extent of Core Investment Period deliverables in accordance with the business case	17
2015/16.11	N/A	Not responding fully and effectively to the recommendations made in the Kerslake Report and implementing the Future Council Programme (including setting a medium / long term balanced budget)	18
2015/16.12	45	Loss of personal or sensitive data	19
2015/16.13	2	Failure to comply with the Equality Act 2010 and the Public Sector Equality Duty	20
2015/16.14	28	On-going reduction in government grants resulting in a shortfall in resources and avoid legal challenge	21
2015/16.15	52	Insufficient in-house IT expertise within Directorates & Inadequate or ineffective corporate control of non-core IT spend	21
2015/16.16	32	Not recognising the need to divest of costly property assets in radical new solutions to reframe service delivery	23
2015/16.17	42	Web services may be disrupted by malicious attacks on Council's web based services	23
2015/16.18	55	Ineffective Corporate Risk Marker IT solution	24
2015/16.19	37	Evaluation of cost & benefits of different service delivery options & failure to fully implement the decisions made to change policy / service delivery	25
2015/16.20	41	Delivery of the Localisation Agenda and commitments made in the Council's Improvement Plan and Leaders Policy Statement	26
2015/16.21	44	Unpaid allowances	27
2015/16.22	30	Employee relations, performance issues, sickness absence levels etc.	22
2015/16.23	35	IT refresh / update and running Windows 7 (to be reworded for next update)	28
2015/16.24	54	Risk of fines from HRMC for Directorates employing long term consultants	29
2015/16.25	47	Risk deleted - July 2015	N/A
2015/16.26	58	Risk deleted - July 2015	N/A
2015/16.27	40	Risk deleted - July 2015	N/A
2015/16.28	56	Risk deleted - July 2015	N/A
2015/16.29	N/A	Risk of Court deciding against the Council regarding the Homeless Service	14
2015/16.30	N/A	Risk of challenge regarding implementation of the Younger Peoples Re-Provision Programme	17

APPENDIX A

Corporate Risk Register Update for Audit Committee November 2015

Key: CO - Corporate Objective. AFC - A fair city: where people are safe, healthy and not living in poverty. APC - A prosperous city: where businesses flourish, where people have education and training, and where unemployment is low. ADC - A democratic city: where people have more say in local decision-making.

	INDEX OF RISKS / ISSUES (in order of severity of risk)										
Ranking	New Ref No.	Old Ref No.	C. O.	Short Description	Lead Director	Actual Risk rating and Target rating Likelihood / Impact Nov 2015	Change in residual risk	Actual risk level in previous 3 updates to Audit Committee			Page No.
								July 2015	Mar 15	Nov 14	
1	1	1c	APC	Defend and settle post 2008 equal pay claims.	Deputy Chief Executive, Economy Directorate	Actual: H/H Target: H/H	Same	H/H	H/H	H/H	10
2	2	23	AFC	Failure to improve children's safeguarding and children's social care.	Strategic Director, People Directorate	Actual: H/H Target: M/H	Same	H/H	H/H	H/H	10
3	3	14b / 50	APC	Failure to manage the schools PFI contracts effectively leading to the lack of investment into the schools stock.	Deputy Chief Executive, Economy Directorate	Actual: H/H Target: M/S	Same	H/H	H/H	H/H	12
4	4	59	APC	Risk of enforcement action and fines by the ICO for failure to comply with the 40 day timescale for responding to SARs.	Deputy Chief Executive, Economy Directorate	Actual: H/H Target: L/L	Same	H/H	H/H	N/A	13
5	29	N/A	AFC	Risk of Court deciding against the Council regarding the Homeless Service.	Strategic Director, People Directorate	Actual: H/H Target: M/H	N/A (New Risk)	N/A	N/A	N/A	14
6	5	1a	APC	Defend and settle pre 2008 equal pay claims.	Deputy Chief Executive, Economy Directorate	Actual: S/H Target: L/H	Same	S/H	S/H	S/H	14
7	6	1b	APC	Further equal pay claims.	Deputy Chief Executive, Economy Directorate	Actual: S/H Target: M/H	Same	S/H	S/H	S/H	14
8	7	57	AFC	Not responding fully and effectively to the issues from recent reviews concerning school governance and related matters.	Strategic Director, People Directorate	Actual S/H Target L/H	Same	S/H	S/H	S/H	15

APPENDIX A

Corporate Risk Register Update for Audit Committee November 2015

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								July 2015	Mar 15	Nov 14	
9	9	61	A F C	Not responding fully and effectively to the improvement agenda for Children.	Strategic Director, People Directorate	**Actual: S/H** **Target: S/L**	Same	**S/H**	**S/H**	**N/A**	16
10	10	46	A P C	Resolution of contractual issues in the Highway Maintenance and Management PFI contract, and failure to obtain the full extent of Core Investment Period deliverables in accordance with the business case.	Strategic Director, Place Directorate	**Actual: H/S** **Target: L/S**	Same	**H/S**	**M/S**	**M/S**	17
11	30	N/A	A F C	Risk of challenge regarding implementation of the Younger Peoples Re-Provision Programme.	Strategic Director, People Directorate	**Actual: S/S** **Target: M/S**	N/A (New Risk)	**N/A**	**N/A**	**N/A**	17
12	11	N/A	A P C	Not responding fully and effectively to the recommendations made in the Kerslake Report and implementing the Future Council Programme (including setting a medium / long term balanced budget).	Chief Executive	**Actual: M/H** **Target: L/H**	Same	**M/H**	**N/A**	**N/A**	18
13	12	45	A P C	The loss of significant personal or other sensitive data.	Deputy Chief Executive, Economy Directorate	**Actual: M/H** **Target: L/H**	Same	**M/H**	**M/H**	**L/H**	19
14	13	2	A D C	Failure to comply with all the requirements of the Equality Act 2012 and the Public Sector Equality Duty.	Deputy Chief Executive, Economy Directorate	**Actual: M/S** **Target: M/S**	Same	**M/S**	**M/S**	**M/S**	20
15	14	28	A P C	On-going reduction in government grants resulting in a shortfall in resources and avoid legal challenge.	Deputy Chief Executive, Economy Directorate	**Actual: M/S** **Target: L/L**	Same	**M/S**	**M/S**	**M/S**	21
16	15	52	A P C	Insufficient in-house IT expertise within Directorates and inadequate or ineffective corporate control of non-core IT spending.	Deputy Chief Executive, Economy Directorate	**Actual: M/S** **Target: L/S**	Same	**M/S**	**M/S**	**M/S**	21

APPENDIX A

Corporate Risk Register Update for Audit Committee November 2015

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								July 2015	Mar 15	Nov 14	
17	22	30	A P C	Lack of capacity and capability to respond to employee relations tensions, poor service, performance issues, sickness absence levels and poor morale due to organisational downsizing and pay freezes.	Deputy Chief Executive, Economy Directorate	**Actual: M/S** **Target: L/M**	Increased	**L/S**	**L/S**	**L/S**	22
18	16	32	A P C	Not recognising the need to divest of costly property assets in radical new solutions to reframe service delivery.	Deputy Chief Executive, Economy Directorate	**Actual: S/M** **Target: M/L**	Same	**S/M**	**S/M**	**S/M**	23
19	17	42	A P C	That web services to customers or work with partners may be disrupted by malicious attacks on the City Council's web based services.	Deputy Chief Executive, Economy Directorate	**Actual: S/M** **Target: L/M**	Same	**S/M**	**S/M**	**S/M**	23
20	18	55	A F C	Ineffective Corporate Risk Marker IT solution.	Deputy Chief Executive, Economy Directorate	**Actual: S/M** **Target: L/M**	Same	**S/M**	**S/M**	**S/M**	24
21	19	37	A P C	Failure to adequately evaluate the costs and benefits of different service delivery options. Failure to fully implement the decisions made to change policy and service delivery.	Deputy Chief Executive, Economy Directorate	**Actual: M/M** **Target: M/M**	Same	**S/M**	**M/S**	**M/S**	25
22	20	41	A D C	Failure to deliver the Council's localisation agenda and commitments made in the Council's Improvement Plan and Leaders Policy Statement.	Strategic Director, Place Directorate	**Actual: M/M** **Target: M/M**	Same	**M/M**	**M/M**	**M/M**	26
23	21	44	A P C	Unpaid allowances / contractual overtime payments / equality of flex time agreements.	Deputy Chief Executive, Economy Directorate	**Actual: M/M** **Target: M/M**	Same	**M/M**	**M/M**	**M/M**	27

APPENDIX A

Corporate Risk Register Update for Audit Committee November 2015

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								July 2015	Mar 15	Nov 14	
24	23	35	A P C	IT Refresh / update and running Windows 7. (To be reworded for next update).	Deputy Chief Executive, Economy Directorate	**Actual: L/S** **Target: L/S**	Same	**L/S**	**M/S**	**M/S**	28
25	24	54	A P C	Risk of fines from HMRC for Directorates employing long–term consultants.	Deputy Chief Executive, Economy Directorate	**Actual: L/S** **Target: L/M**	Same	**L/S**	**L/S**	**L/S**	29

APPENDIX A

Corporate Risk Register Update for Audit Committee November 2015

Ref No.	Prev Ref No.	Description – risk / issue	Current level of risk: Likelihood / Impact	Current actions / Comments	Long term aim for the risk - including actions, timescales and target risk rating
2015/16.01	1c	Failure to successfully defend and / or settle post 2008 equal pay claims. (Risk) Lead: Deputy Chief Executive, Economy Directorate Council Plan risks 11 & 13	High / High	**Lead Director comment** A significant number of claims have been issued. A proportion of these have already been settled or are in the process of settlement. A growing proportion are now progressing through the tribunal and civil court process. No win / no fee solicitors are still canvassing for claimants. The validity of claims is constantly challenged by Legal Services. Each claim before any offer to settle is made is subject to robust legal challenge where available. Settlement of claims is subject to financial provision and establishing validity of claims.	**Target risk rating:** High / High **Anticipated date of attainment of the target risk rating:** Unlikely to reduce in the next two years, with on-going liability to 31 October 2017. **Source(s) of assurance regarding progress with mitigating the risk:** Management assurance - regular separate reporting to Corporate Governance Group, EMCB and the Audit Committee. External & internal audit review.
2015/16.02	23	Failure to improve children's safeguarding and children's social care. (Risk) Lead: Strategic Director, People Directorate Owner: All Directors Council Plan risk 2	High / High	**Lead Director comment** Lord Norman Warner was appointed as Commissioner to oversee a new approach to improvement. His reports on services acknowledge that the City Council continues to make steady progress with improving Children's services. Lord Warner's work with BCC has ended and his report is with the DfE. Lord Warner has no involvement with the Independent Improvement Panel. The Executive Director for Children's Services was appointed in February 2015. All staff from Service Director through to Team Manager level have completed competency assessments and now have learning and development plans in place. Groundbreaking work on child sexual exploitation, leading to civil injunctions on men posing risks, has shown that Birmingham can do confident and innovative social work.	**Target risk rating:** Medium / High **Anticipated date of attainment of the target risk rating:** January 2016. **Source(s) of assurance regarding progress with mitigating the risk:** Management assurance, Peer review, Ofsted visits, Scrutiny Committee monitoring, Monitoring Board, and Children's Commissioner.

APPENDIX A

Corporate Risk Register Update for Audit Committee November 2015

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				Lord Warner concluded his work at the end of May 2015. A 2-year improvement plan has been agreed by Cabinet and includes practice improvement, recruitment and retention, commissioning and partnership working. It reflects a new vision and purpose for Children's Services and focuses on how we will support workers to deliver more direct social work with families, to bring about positive change for children. A major financial investment of £21.5m for 2015/16 has been agreed. There is still much to do, (for example, about the capacity of HR corporate resources, a credible recruitment and retention strategy and effectiveness of the Safeguarding Board) to ensure the quality of practice and its timeliness. To that end a proposed future operating model is currently being discussed with partners, and we are investigating the replacement of the CareFirst case system so that practitioners are freed up to undertake direct social work practice. An HMI improvement visit to MASH undertaken in January 2015 noted improvements and areas for development, including workforce and early help. In September HMI returned to look at assessment practice and workflow and we await their feedback. Following a short peer review by Essex in July, the DfE have agreed that Essex will be our improvement partner and a plan of activities has been agreed. The Chief Social Worker has been appointed, and with Principal Social Workers for each of the areas and MASH, will review and drive practice improvement underpinned by a new Quality Assurance Framework. We have also recruited a dedicated Head of Service for the Independent Reviewing Service, linked to a much more effective Quality Assurance Framework and a more robust 'Safety Net' for children across the city. The Children's Service is now fully staffed.	

APPENDIX A

Corporate Risk Register Update for Audit Committee November 2015

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2015/16.03	50 & 14b	Failure to manage the schools PFI contracts effectively leading to the lack of investment into the schools stock. Lead: Deputy Chief Executive, Economy Directorate Owner: All Directors	High / High	**Lead Director comment** Major review of PFI contract arrangements underway following Local Partnerships pilot project. External consultants are engaged and a Lead Officer allocated to fully explore all opportunities to reduce PFI costs. Proposals are being brought forward and while the project more than pays for itself, there are limited opportunities to impact on the major £6m annual affordability gap. School engagement to explore potential re-scoping of elements of the FM contracts is scheduled for Autumn 2015. The savings proposal, being implemented to meet the current PFI affordability gap from within the funds available to invest in the maintenance of the estate, has not yet impacted on the funding available for emergency repairs. However, there are significant risks of funding shortfall into 2017/18, due to the diminishing annual maintenance grant funds available, particularly as more schools convert to academy status. The High / High risk rating relates to the PFI affordability gap and subsequent impact on availability of funding to address backlog maintenance across the schools' estate. The opportunities to reduce the PFI costs are limited, and this therefore remains a high risk in terms of management of the education infrastructure and potential impact of asset failure. There is a very substantial Schools Capital Programme in delivery that includes basic need and planned maintenance programmes, with further emergency maintenance projects emerging regularly. Mitigations include: • Continued work to ensure schools spend their allocated funding and surplus budgets on priority maintenance. • Allocation of dedicated resource to maximise any PFI savings and mitigate risk of increased PFI costs associated with imminent benchmarking exercises. • Lean Review to secure better value from Acivico / supply chain across planned and emergency maintenance and basic need projects.	**Target risk rating**: Medium / Significant **Anticipated date of review/attainment of the target risk rating:** September 2017. **Source(s) of assurance regarding progress with mitigating the risk:** Management reporting to Director of Finance on PFI savings. Oversight and monitoring of temporary school closures due to asset failure.

APPENDIX A

Corporate Risk Register Update for Audit Committee November 2015

Ref No.	Prev Ref No.	Description – risk / issue	Current level of risk: Likelihood / Impact	Current actions / Comments	Long term aim for the risk - including actions, timescales and target risk rating
2015/16.04	59	Risk of enforcement action and fines of up to £500,000 by the Information Commissioner's Office (ICO) for failure to comply with the 40 day timescale for responding to Subject Access Requests (SARs). (Risk) Lead: Deputy Chief Executive, Economy Directorate Owners: Alastair Gibbons / Jonathan Evans	High / High	**Lead Director comment** The ICO wrote to BCC in December 2014 stating that they had carried out an analysis on complaints they received during 2014. The data indicates an issue with timely responses to SARs. An analysis of the complaints shows Children's Services and HR as areas where failure to respond within 40 days is a problem. An internal audit has been undertaken in respect of Children's Services. The report identified a number of recommendations, including: • Reviewing systems / processes, and improving management information to accurately report & monitor progress on responding to SARs. • Reviewing resourcing levels to ensure SARs requests received in relation to children's social care records are prioritised. • Providing more targeted training to support staff dealing with complex SARs. The Council is subject to an ongoing ICO enquiry into its response times for SAR's, Attended a meeting with the ICO on 17th June 2015, led by the SIRO. The Council is required to provide monthly reports to the ICO for the next three months beginning July 2015, and possibly a further three months thereafter as part of their monitoring of the Council's performance and response rates to SAR's. HR Management Team now considers progress on SARs on a weekly basis, with reports on progress made with ongoing SARs and escalation where necessary. Performance has improved. The monitoring of internal performance has shown an overall improvement in SARs both in Children's Services and the Council as a whole. It is anticipated that the target risk rating of Low / Low will be met.	**Target risk rating**: Low / Low **Anticipated date of review/attainment of the target risk rating:** April 2016. **Source(s) of assurance regarding progress with mitigating the risk:** Management assurance from HR and Children's Services.

APPENDIX A

Corporate Risk Register Update for Audit Committee November 2015

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2015/16.29	N/A	Risk of Court deciding against the Council regarding the Homeless Service. (Risk) Lead: Strategic Director, People Directorate Owner: Alan Lotinga	High / High	**Lead Director comment** The Homeless Service is currently facing challenge regarding the fulfilling of its statutory duties.	**Target risk rating:** Medium / High **Anticipated date of attainment of the target risk rating:** Ongoing - review January 2016. **Source(s) of assurance regarding progress with mitigating the risk:** We have identified some concerns regarding the service and these have been changed in line with legal advice.
2015/16.05	1a	Failure to successfully defend and / or settle pre 2008 equal pay claims. (Issue) Lead: Deputy Chief Executive, Economy Directorate Council Plan risks 11 & 13	Significant / High	**Lead Director comment** In 2010, the Tribunal determined that the Council had no defence to pre 2008 equal pay claims (Barker v Birmingham City Council). C12,000 early claims without the involvement of solicitors have been already settled including a further cohort as part of settlement agreements reached in 2011 and 2013. Claims issued since January 2015 are now out of time and therefore are not valid claims. The Council is currently succeeding in striking out these out of time claims. The validity of claims is constantly challenged by Legal Services. Each claim before any offer to settle is made is subject to robust legal challenge where available. A significant proportion of valid claims for pre 2008 liability, are in the process of settlement or profiled for settlement depending on available financial resources.	**Target risk rating:** Low / High **Anticipated date of attainment of the target risk rating:** Ongoing - review January 2016. **Source(s) of assurance regarding progress with mitigating the risk:** Management assurance - reporting to Corporate Governance Group, Audit Committee, external & internal audit review.
2015/16.06	1b	Risk of further equal pay claims. (Risk) Lead: Deputy Chief Executive, Economy Directorate Council Plan risks 11 & 13	Significant / High	**Lead Director comment** Claimant solicitors are continually 'fishing' for further equal pay liability by issuing further equal pay claims in addition to those referred to in risks 01and 05. The validity of these type of claims is, and will be subject to robust legal challenge. At the moment, there is no determination as to liability or attainment as to target risk due to the nature of the challenge.	**Target risk rating:** Medium / High **Anticipated date of attainment of the target risk rating:** Not known at current date. **Source(s) of assurance regarding progress with mitigating the risk:** Management assurance - reporting to Corporate Governance Group, Audit Committee, external & internal audit review.

APPENDIX A

Corporate Risk Register Update for Audit Committee November 2015

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2015/16.07	57	Failure to respond fully and effectively to the issues from recent reviews concerning school governance and related matters. (Risk) Lead: Strategic Director, People Directorate	Significant / High	**Lead Director comment** Sir Mike Tomlinson was appointed as Commissioner to oversee a programme of improvement and his time in Birmingham has been extended to March 2016. Improvement is being driven by the Leader, Cabinet Member, Chief Executive and Strategic Director. The City Council and DfE agreed to the appointment of Colin Diamond, Deputy Commissioner, to the interim post of Executive Director Education, from April 2015. The Education and Schools Strategy Improvement Plan agreed in December 2014 builds on a number of pieces of work including the Clarke and Kershaw reports triggered by Trojan Horse, along with transformation already underway in SEND and Education Services. Progress has been made on a number of issues (for example: a revised recruitment process for LA governors; guidance to schools on the Nolan principles of good governance; improved take up of safeguarding training; a new whistleblowing policy implemented from January 2015; improved communications). The Council has commissioned Birmingham Education Partnership to deliver school improvement support and challenge functions from September 2015. An Education Improvement Group comprising BCC, DfE, Regional Schools Commissioner and Ofsted meets monthly to share information on schools causing concern. Systematic school surveys are in place to inform the work of the local authority. Work on civic leadership and community cohesion is being developed given the need to tackle the causal factors underlying Trojan Horse. This will complement the city leadership approach to be established in the light of the Kerslake review. Arrangements are currently in hand for a week long peer review, by the LGA, of progress to date and next key steps.	**Target risk rating***:* Low / High **Anticipated date of attainment of the target risk rating:** January 2016. **Source(s) of assurance regarding progress with mitigating the risk:** Management assurance obtained through the usual systems, and checked by the Cabinet Member. There will also be verification through key channels - the Unions, meetings with Heads and Governors etc. Oversight of the Action Plan and checks on implementation. Monitor Key Indicators - for example, the extent to which Head Teachers feel complaints / concerns are identified and responded to. Assurance via the Commissioner is an external check.

APPENDIX A

Corporate Risk Register Update for Audit Committee November 2015

Ref No.	Prev Ref No.	Description – risk / issue	Current level of risk: Likelihood / Impact	Current actions / Comments	Long term aim for the risk - including actions, timescales and target risk rating
2015/16.08	60	Risk Deleted - Following Audit Committee approval in July 2015			
2015/16.09	61	Risk that BCC is not able to respond to the improvement agenda for Children's. (Risk) Lead: Strategic Director, People Directorate Owner: Alastair Gibbons	Significant / High	**Lead Director comment** Corporate level discussions are taking place about alignment of finance, improvement budget, HR practice and legal practice. A Chief Officer discussion at corporate strategy level is required to define business requirements and drivers for change. The Council's response to the Kerslake report offers the opportunity for Children's Services to shape, influence and determine priorities for the action plan aligned with the Children's Social Care Improvement Plan, and define the requirements to get to 'low' likelihood. Kerslake action plan to monitor percentage delivery. Scoring needs to move to Significant / Low by 31st March tailing off to Low / Low. Cabinet approved a years 2 and 3 improvement strategy on 20 April 2015. There is now greater clarity on resources and priorities going forward. The appointment of the Executive Director for Children Social Care also helps mitigate this risk. The vast majority of the required year 1 improvement was delivered. However, there is still more work to do on a small number of issues. There has been a lot of Corporate support to help in ensuring the success of the Children's Social Care Improvement Plan. The HR function is being re-shaped corporately and there has been significant financial and other support. Discussions continue with Chief Officers to ensure that there is appropriate support for the Children's Improvement Agenda. However, we need to see real improvements in outcomes for children before we can safely downgrade this risk.	**Target risk rating:** Significant / Low **Anticipated date of attainment of the target risk rating:** January 2016. **Source(s) of assurance regarding progress with mitigating the risk:** Bi-weekly Quartet Board Meetings (Children's Improvement Programme Board).

APPENDIX A

Corporate Risk Register Update for Audit Committee November 2015

Ref No.	Prev Ref No.	Description – risk / issue	Current level of risk: Likelihood / Impact	Current actions / Comments	Long term aim for the risk - including actions, timescales and target risk rating
2015/16.10	46	a. Failure to resolve performance, contractual and commercial matters in the Highway Maintenance and Management PFI contract. Lead: Strategic Director, Place Directorate	High / Significant	**Lead Director comment** Resolution is being sought, via a commercial settlement, of a number of contractual issues with Amey Birmingham Highways Limited (ABHL) regarding the Highway Maintenance and Management PFI Contract. The proposed settlement has been under discussion since January 2015.	**Target risk rating:** Low / Significant **Anticipated date of attainment of the target risk rating:** October / November 2015. **Source(s) of assurance regarding progress with mitigating the risk:** The settlement has been agreed with ABHL, but requires lender consent. Approval has been obtained from Cabinet (16 March 2015) to reach a settlement and established the parameters for this.
		b. Failure to obtain the full extent of Core Investment Period deliverables in accordance with the business case for the Highway Maintenance and Management PFI contract. Lead: Strategic Director for Place	High / Significant	**Lead Director comment** The Council has sought to resolve the issue informally but this has not been possible. The City Council referred this matter for adjudication under the contractual Dispute Resolution procedure on 07 May 2015. The adjudication hearing is on 23 June 2015. The outcome has now been referred to court by the Service Provider.	**Target risk rating:** Low / Significant **Anticipated date of attainment of the target risk rating:** Procedural hearing to be held in October 2015 to determine a timetable. **Source(s) of assurance regarding progress with mitigating the risk:** External legal advice and representation has been engaged.
2015/16.30	N/A	Risk of challenge regarding implementation of the Younger Peoples Re-Provision Programme. (Risk) Lead: Strategic Director, People Directorate Owner: Alan Lotinga	Significant / Significant	**Lead Director comment** The Younger Peoples Re-Provision programme is focused on maximising people's independence and moving them to less restrictive accommodation, which has encountered opposition from carers who do not want people to move. There has also been opposition from providers. Legal Services involved in high risk cases. Proposed new team to script and roll out the offer - to be appointed.	**Target risk rating:** Medium / Significant **Anticipated date of attainment of the target risk rating:** Ongoing - review January 2016. **Source(s) of assurance regarding progress with mitigating the risk:** The Care & Housing Allocation Panel is in operation, and receives all information regarding placement moves. The Personalisation, Empowerment & Placement Strategic Group has been formed, which has been informed by a 'peer review' led by the Director of Public Health.

APPENDIX A

Corporate Risk Register Update for Audit Committee November 2015

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2015/16.11	N/A	Not responding fully and effectively to the recommendations made in the Kerslake Report and implementing the Future Council Programme (including setting a medium / long term balanced budget). (Risk) Lead: Chief Executive Owner: All Directors Risk reworded	Medium / High	**Lead Director comment** The following key activities have been undertaken: Implementation of the Future Council Programme (of which Kerslake is an important sub-set): • Each of the sub programmes has a project plan, risk register and functioning governance arrangements in the form of a sub programme board. In addition they have a group of 'Link Members' who provide guidance and challenge from a member perspective. All current and future activity is being recorded within the project management tool - Verto. • Programme management has been strengthened. A new programme manager has been appointed along with a programme planner, and there is one overall milestone plan for the programme. • The Programme Board has been reviewed / reconstituted, and includes the senior responsible officers (SROs) for each of the sub programmes. The Board meets weekly and agendas include coverage on key risks as part of the 'highlights report' presented by the Programme Manager. • Risks and issues are being debated / mitigated at each sub programme level, and escalated to the Programme Board if mitigation is not possible at that level. • The Future Council Programme budget has been identified and is being supplemented with funding from the Department for Communities and Local Government. This means that funding is secure for at least the next two years, and additional capacity can be sought to strengthen our work and ensure that implementation is swifter. For example: additional resource to implement the ideas coming from the 'Demand' work.	**Target risk rating:** Low / High **Anticipated date of attainment of the target risk rating:** Ongoing - review April 2017. **Source(s) of assurance regarding progress with mitigating the risk:** Planned activities to further mitigate this risk: • Continuing engagement of Cabinet and CLT overseeing programme delivery. • Ongoing reporting on progress to the Birmingham Independent Improvement Panel (next report October). • Formalisation of the risk management processes. • Refinement of the project management tool and creation of management reports. • Consistent monthly focus on delivery of the Kerslake actions.

Corporate Risk Register Update for Audit Committee November 2015

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				• The Kerslake actions are a sub set of the programme and delivery is being monitored on a monthly basis. The first Kerslake monitoring report has been signed off by the Board and submitted to the Birmingham Independent Improvement Panel.	
2015/16.12	45	That the loss of significant personal or other sensitive data may put the City Council in breach of its statutory responsibilities and incur a fine of up to £500,000 from the Information Commissioner. (Risk) Lead: Deputy Chief Executive, Economy Directorate Owner: All Directors	Medium / High	**Lead Director comment** Current controls based on encryption of data on mobile devices or copied to removable media; and programme of staff education and training. The mandatory information governance e-learning is being tracked monthly and take up is being reported to Strategic Directors and the Information Assurance Board (IAB). Breach management processes have been established with clear lines of responsibility to the Senior Information Risk Owner, (Deputy Chief Executive) and the Monitoring officer. Known data breaches are discussed at the Breach Management Panel and reports and recommendations are presented to the Monitoring Officer for consideration to notify Information Commissioner's Office. An annual report for 2013/14 was prepared and presented to the IAB in June 2014. The training programme has been in place for 2 years and was reviewed over summer 2014 to determine the way forward and ensure ongoing compliance. The SIRO has written to Strategic Directors detailing staff yet to complete the mandatory training / requesting that it be completed by 31st March 2015. Strategic Directors & Management Teams have been asked to lead on ensuring compliance.	**Target risk rating:** Low / High **Anticipated date of attainment of the target risk rating:** April 2016. **Source(s) of assurance regarding progress with mitigating the risk:** Management assurance via reports to Breach Management Panel. Further controls on assuring that suppliers and partners impose similar controls on City Council data in their possession. The mandatory training for staff is currently being updated, and the new modules will be available for staff to take up from the new year.

APPENDIX A

Corporate Risk Register Update for Audit Committee November 2015

Ref No.	Prev Ref No.	Description – risk / issue	Current level of risk: Likelihood / Impact	Current actions / Comments	Long term aim for the risk - including actions, timescales and target risk rating
2015/16.13	2	Failure to comply with all of the requirements of the Equality Act (2010) and the Public Sector Equality Duty. (Risk) Lead: Strategic Director, Place Directorate Owner: All Directors Council Plan risk 3	Medium / Significant	**Lead Director comment** Legal challenge can delay implementation of change and significantly delay or reduce the planned savings to be achieved this may also have a detrimental impact on other services. It is important therefore, that EAs are carried out robustly across BCC regarding all initiatives and service delivery changes. The responsibility for ensuring that EAs for all major policy / budget changes lies with the Directorates. Legal Services are advising on high risk EAs. The Equality Analysis toolkit is available to Directorates to undertake Equality Assessments for all new Policies and Procedures. Advice and support on completion of the Equality Assessment is provided from the Equalities, Community Safety and Cohesion Service (ECS&CS) and Legal Services. Guidance on undertaking consultation has been updated and is available on Inline and this is now aligned with the EA process. Over 700 staff ranging from GR5 through to JNC have been trained on the EA toolkit and on undertaking an EA and this training continues to be available. Corporate consultation and Equality Assessments have been undertaken on all relevant corporate savings. Directorates will continue to undertake consultation and Equality Assessments for individual initiatives where appropriate. A robust approach exists for savings proposals. Corporate Consultation, Equality Assessments and all associated consultation are aligned, with emphasis on feedback from the protected groups. All EAs and consultation are tracked corporately. A cross directorate steering group chaired by the Service Lead for Equalities, Community Safety and Cohesion has been tasked to oversee compliance to this agenda. Following consultation with Legal Services and Directorate Equality Leads, the Equality Analysis Toolkit was developed to improve the guidance information to staff. If followed, this guidance should help improve the content and standard of Equality Analysis submitted for approval.	**Target risk rating:** Medium / Significant **Anticipated date of attainment of the target risk rating:** Attained. **Source(s) of assurance regarding progress with mitigating the risk:** • Corporate Governance is in place to manage this risk effectively and close monitoring by ECS&CS and Legal Services will continue in order to address any issues which may arise. • Corporate Consultation undertaken on savings proposals. • Unique EA reference will be tracked and reported against individual Corporate Savings Proposals. • Corporate Steering Group to oversee compliance. • Initial RAG assessment of savings proposals to be undertaken. • Legal advice sought on high risk initiatives. • Process of Legal sign off on Cabinet Reports. • Birmingham Audit undertook an audit of EA compliance in Directorates March / April 2014. Management assurance. In addition to current guidance and information, the development and use of the online Equality Analysis toolkit will help mitigate against managers undertaking inadequate Equality Analysis. The toolkit provides a step by step process and on line guidance to completing an Equality Analysis and developing an action plan. The online toolkit provides an overview of all EAs undertaken on the system. Project managers are encouraged to take legal advice on high risk initiatives.

APPENDIX A

Corporate Risk Register Update for Audit Committee November 2015

Ref No.	Prev Ref No.	Description – risk / issue	Current level of risk: Likelihood / Impact	Current actions / Comments	Long term aim for the risk - including actions, timescales and target risk rating
2015/16.14	28	Not planning appropriately for the on-going reduction in government grants resulting in a shortfall in resources, and avoid legal challenge. (Risk) Lead: Deputy Chief Executive, Economy Directorate Owner: All Directors Council Plan risks 9, 10, 15 &16	Medium / Significant	**Lead Director comment** Savings proposals from 2015/16 onwards were approved at the City Council meeting on 3 March 2015. The delivery of the savings programme is monitored through the savings trackers and the Star Chamber meetings convened by the Deputy Leader, and reported in the monthly revenue budget monitoring reports to Cabinet. Projections of resources are updated on a regular basis in the light of announcements made by the Government. Planning for the further savings that will be required from 2016/17 onwards is being taken forward as one of the workstreams within the Future Council Programme. Arrangements are being made to ensure that the process is adequately resourced. Budget proposals will be subject to equality analysis and the necessary consultation processes during the course of the Autumn / Winter in the normal way.	**Target risk rating:** Low / Low **Anticipated date of attainment of the target risk rating:** March 2018. **Source(s) of assurance regarding progress with mitigating the risk:** Management assurance as detailed in Lead Director comments also an Internal Audit review.
2015/16.15	52	Inadequate or ineffective corporate control of non-core IT spend as a result of insufficient in-house IT expertise within Directorates to ensure software/systems changes are adequately specified, that their implementation is adequately managed and that changes are adequately coordinated across the organisation to maximise the benefit to the Council. (Issue) Lead: Deputy Chief Executive, Economy Directorate Owner: All Directors	Medium / Significant	**Lead Director comment** The review of Service Birmingham (SB) has emphasised that SB has an expert role and a duty to BCC to fulfil this role. This includes ensuring BCC making the right choices of software / systems and avoiding duplication of spending. Following a discussion at EMCB in July 2014 it was agreed that they would champion some of the risks highlighted in the Corporate Risk Register. Risk 52 was one of those selected for consideration at the September 2014 meeting. New governance processes are in place to manage the ICT contract and particularly directorate spend, and further additional changes are planned. An ICT Improvement Programme is in place and is reported to the ICT Programme Board Chaired by the Deputy Leader. All spend over £200k will be approved at this Board.	**Target risk rating:** Low / Significant **Anticipated date of attainment of the target risk rating:** March 2016 **Source(s) of assurance regarding progress with mitigating the risk:** Risk is reduced due to the governance structure in place and from the planned actions.

Corporate Risk Register Update for Audit Committee November 2015

Ref No.	Prev Ref No.	Description – risk / issue	Current level of risk: Likelihood / Impact	Current actions / Comments	Long term aim for the risk - including actions, timescales and target risk rating
				A seven year plan for changes to the management and governance of ICT is in place (subject to review and consultation). A critical friend has been appointed to provide the Council with advice and guidance on a range of ICT matters to support the ICT improvement programme and to support the 7 year plans actions. The original FOM (Future Operating Model) has been delayed whilst more consideration is given to the impact of the Future Council Programme. However, two additional posts will be recruited by the end of November 2015.	
2015/16.22	30	Lack of capacity and capability to respond to threat of industrial action, employee relations tensions, poor service, performance issues, sickness absence levels and poor morale due to organisational downsizing and pay freezes. (Issue & Risk) Lead: Deputy Chief Executive, Economy Directorate Owner: All Directors Council Plan risk 18	Medium / Significant	**Lead Director comment** Given the degree of budget cuts and consequential organisational changes alongside national changes to pensions and other possible terms and conditions changes there remains a risk of industrial action although more likely to be on a national rather than a local level. There are business continuity plans in place in readiness for industrial action and they have been effective in reducing the impact of action on service users. Particular areas of risk such as Fleet and Waste management have well progressed contingency plans. Effective workforce planning is required along with clear transition plans from existing to new models. Facilitated sessions will be required with Directorates to develop the workforce strategy and approaches and to provide quality assurance around achievability.	**Target risk rating:** Low / Medium **Anticipated date of attainment of the target risk rating*:*** Ongoing. **Source(s) of assurance regarding progress with mitigating the risk:** The Council's workforce strategy is currently in development. This includes; strategic workforce planning aligned to scale and impact of proposed change, robust management of organisational redesign to foresee and manage risks around workload volumes, development and retention of core skills, specialist knowledge, morale and staff engagement. HR working with each Directorate on contingency plans.

APPENDIX A

Corporate Risk Register Update for Audit Committee November 2015

Ref No.	Prev Ref No.	Description – risk / issue	Current level of risk: Likelihood / Impact	Current actions / Comments	Long term aim for the risk - including actions, timescales and target risk rating
2015/16.16	32	Risk of not recognising the need to divest of costly property assets in radical new solutions to reframe service delivery; driving out property for disposal, but beyond capital receipt generation, ultimately solutions should deliver radical reductions in future revenue operating costs. (Risk) Lead: Deputy Chief Executive, Economy Directorate Owner: All Directors Council Plan risk 7	Significant / Medium	**Lead Director comment** Risk mitigated by: • LoCAL Programme - property information has been provided, a programme formed and a series of outline business cases produced. • Our Corporate Landlord Service has cleared, decommissioned and sold Tamebridge House. Accommodation changes across Directorates are being dealt with including freeing up of space to accommodate Call Centre and Service Birmingham staff to be relocated from B1 in 2016. • Continued development of the corporate property database (Techforge) - information and systems development continues to progress as planned and the additional functionality is being applied in the management of repairs and maintenance costs, etc.	**Target risk rating:** Medium / Low **Anticipated date of attainment of the target risk rating:** April 2016. **Source(s) of assurance regarding progress with mitigating the risk:** Management assurance as detailed in Lead Director comment.
2015/16.17	42	That web services to customers or work with partners may be disrupted by malicious attacks on the City Council's web based services. (Risk). Lead: Deputy Chief Executive, Economy Directorate Owner: All Directors	Significant / Medium	**Lead Director comment** Service Birmingham on behalf of City Council: • Have updated the council's firewalls and introduced Intrusion Prevention Services (IPS) as part of the firewall implementation. This means that the firewalls are receiving regular updates from the supplier to detect new and evolving types of security attack. The firewalls detect and defeat many thousands of attacks every day. • Have implemented a cloud based Distributed Denial of Service (DDoS) system that defends four of the council's main websites from high volume attacks where hackers are trying to flood the council's websites with requests for service. This service regularly defends the Council's web sites from attackers. • Continuously scan the information security landscape with their partners to detect upcoming and new vulnerabilities which could be exploited by potential hackers. • Have implemented the PSN walled garden which has enhanced the security of all users accessing web based government systems.	**Target risk rating:** Low / Medium **Anticipated date of attainment of the target risk rating:** Ongoing - this risk can only ever be mitigated, and never fully closed due to the nature of hacking etc. **Source(s) of assurance regarding progress with mitigating the risk:** • The Council are now transmitting sensitive data securely through the PSN secure infrastructure together with the improvements / enhancements made to the firewalls. • Service Birmingham, on behalf of the Council, are constantly monitoring the information security landscape with solution providers to detect upcoming and new vulnerabilities which could be exploited by potential hackers. • Given the nature of this risk these activities are now being kept under constant review.

Corporate Risk Register Update for Audit Committee November 2015

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				PSN services have been remodelled and are currently being monitored to ensure secure transmission. The Council has retained its PSN certification until April 2016. The management of cyber risks within BCC will form part of the security strategy and responsibilities clearly defined. The ICF will ensure that the cyber risk investment strategy is aligned to, and supports strategic priorities. There is improved reporting of cyber risks and security incidents which will be presented to the Corporate Information Security Group (CISG) bi-monthly. This will ensure BCC are fully aware of potential regulatory and legal exposures and can assess the implications for future investment decisions. An annual security statement will also be developed. The annual health check required for PSN will be carried out in November 2015, and will provide further assurance and evaluation of BCCs ICT security.	
2015/16.18	55	Ineffective Corporate Risk Marker IT solution. (Issue) Lead: Deputy Chief Executive, Economy Directorate Owner: All Directors	Significant / Medium	**Lead Director comment** The CRM (Corporate Risk Marker) solution went live in May 2013. There are a number of technical issues which have yet to be resolved including data not being shared as required. Further, the designed solution when working will only partially deliver the benefits sought. Consequently, the risk of not sharing information in respect of violence from residents has yet to be adequately mitigated. There is a further risk that there may be a perception that the CRM risks have been fully mitigated with the closure of the CRM project, when this is not the case. It is evident that the technical solution will not be delivered in the foreseeable future. Given this, a paper is being written for consideration at EMCB, including re-visiting the risk assessment to determine the requirement for a corporate risk marker solution, and identify appropriate solutions to mitigate the revised requirements.	**Target risk rating:** Low / Medium **Anticipated date of attainment of the target risk rating:** 31 December 2015. **Source(s) of assurance regarding progress with mitigating the risk:** Management assurance. On-going liaison regarding technical fixes to be made. Monitoring the use of the IT system by Corporate Safety Services. Continued use of existing (previous) systems by service providers. An alternative solution is now being scoped.

APPENDIX A

Corporate Risk Register Update for Audit Committee November 2015

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2015/16.19	37	Failure to adequately identify the costs and benefits of different service delivery options arising from Service Reviews to enable them to be fully and accurately modelled and ensure they are feasible and the changes proposed can be delivered, before the decision to move forward is made.(Risk) Failure to fully implement the decisions taken to change BCC policy and service delivery to enable delivery of expected benefits / efficiency gains. (Risk) Lead: Deputy Chief Executive, Economy Directorate Owner: All Directors Council Plan risks 4 & 5	Medium / Medium	**Lead Director comment** Any alternative delivery model must demonstrate some benefit and better value for the Council. There needs to be the early identification of all costs and benefits as part of the formulation and evaluation of options in the consideration of the business case. The Assistant Directors of Finance will provide support on key projects based on their area of expertise. Those developing new service delivery options need to evaluate the full circumstances on a case-by-case basis, seeking proper advice where necessary, in order to identify the implications of the change in service delivery model. This will include assessing what will be left behind in BCC (e.g. fixed overheads, income targets etc.) as well as ensuring that all of the costs and income of the new model are taken into account - including those which are not applicable to a local authority model of delivery (e.g. taxation), together with some sensitivity and risk analysis. This needs to be done before any commitments are given. The risk to the transferred service is the possible future loss of the Council as a customer and the risk to the Council is the loss of services provided to the transferred service as a customer, if the transferred service obtains these same services from another provider. These risks need to be managed by the corporate commissioning hub with peer reviews undertaken by Thematic Centres of Excellence and approval via Cabinet. New, updated and easier to use guidance on commissioning and service delivery options was provided to all directorates in January 2013.	**Target risk rating:** Medium / Medium **Anticipated date of attainment of the target risk rating:** Attained. **Source(s) of assurance regarding progress with mitigating the risk:** Management assurance - reports to EMCB, notes and actions from Corporate Commissioning Board agenda. Dialogue with directorate lead commissioners. Finance to be involved in commissioning reviews. Additional resources to support commissioning have been recruited (internally) to support the commissioning approach. Commissioning Toolkit in place. Risk will be managed on a case by case basis through proper use of the Toolkit, and through reviews supported by the Assistant Directors of Finance. A checklist developed by AD Finance (Strategy) will continue to be used to ensure proper evaluation and appraisal of decision making reports. Corporate Commissioning Board will provide the governance for new commissioning strategies. CPS believes that given the challenges encountered in supporting alternative delivery models, and the innovative approaches required, the risk remains at Medium / Medium (target met). Only when we have examples of alternative delivery models being successfully implemented should this risk be removed. Mitigations detailed above are now in place with commissioning checklists to CCB ensuring that appropriate resources are in place to manage risk in implementing alternative service delivery models.

APPENDIX A

Corporate Risk Register Update for Audit Committee November 2015

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2015/16.20	41	Failure to deliver the Council's localisation agenda and commitments made in the Council's Improvement Plan and Leaders Policy Statement. (Risk) Lead: Strategic Director, Place Directorate Owner: All Directors Risk Reworded	Medium / Medium	**Lead Director comment** Following the specific recommendation in the independent Kerslake report on localisation, and commitments made in response to this in the Council's Improvement Plan, a number of significant changes have been made to the constitutional, structural and service management arrangements for District Committees, and subsequently reported to the Improvement Panel. The Council's constitution for 2015/16 has removed District Committees' delegations for local services devolved to them, including financial responsibility for these services. This includes community libraries, neighbourhood advice, community development/play, school crossing patrols, local car parks and district engineering alongside with SLA services including pest control, parks / allotments, parts of fleet on waste management on SLA arrangements, housing management and adult education. District Committees and Ward Committees / Forums have been issued clear terms of reference within the constitution as well as in executive guidance agreed by Cabinet in July 2015. This sets out a clear role for District Committees in relation to community planning and neighbourhood challenge in line with commitments in the Council's Improvement Plan. Executive Members (District Chairs) and Vice Chairs have engaged in three development sessions over the early summer, to engage on how this remit can be taken forward effectively. Ward Committees / Forums will continue to fulfil a role to assist councillors take forward their community leadership role. Both the constitution and new executive guidance sets out detailed guidance on this, and two sessions were held during September 2015 to brief Ward Chairs on discharging this remit effectively. An interim support structure has been in place for the first six months, to support the discharge of the new role for District Committees, with a new permanent structure being introduced from the beginning of October.	**Target risk rating**: Medium / Medium **Anticipated date of attainment of the target risk rating**: Attained. **Source(s) of assurance regarding progress with mitigating the risk**: Management assurance as detailed in Lead Director comment - Scrutiny Report in January 2013, bi-monthly reports on progress of the secondary work streams. Ongoing review of risk through the Future Council political governance sub programme.

Corporate Risk Register Update for Audit Committee November 2015

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				The oversight of further policy development of localisation has been embedded in the Council's Future Council arrangements, specifically the political governance sub programme, to enable a corporate and long-term approach to be shaped. The Community Governance Review initiated by Council in September 2014, to review whether a Town Council should be established in Sutton Coldfield, alongside the impact of this on the Council's devolution arrangements will conclude in September 2015, with a report from the cross party Governance Working Group. In line with the result of the postal consultative ballot conducted with residents registered to vote in Sutton Coldfield during June 2015, the member group is recommending to Full Council that a parish council (this may be changed to a Town Council once the arrangements have been put in place), should be instituted in Sutton Coldfield. The Governance Working Group will through Council Business management Committee, continue with its oversight of the parish council, as well as considering policy options for further establishment in Birmingham in the year ahead.	
2015/16.21	44	Unpaid allowances / contractual overtime payments / equality of flex time agreements. (Risk) Lead: Deputy Chief Executive, Economy Directorate Owner: All Directors	Medium / Medium	**Lead Director comment** Whilst significant work has been undertaken to achieve harmonisation of terms and conditions there remains a small number of risks that are currently being addressed. The bulk of unpaid allowances claims have now either been successfully defended or settled. Any remaining claims are being considered and managed by Legal Services on a case by case basis. There also remains the potential of excessive use of overtime across the Council; this could potentially create equal pay risks. The Council ceased the use of all regular overtime with effect from 1st April 2014. Employees have potentially 6 years within which to make claims.	**Target risk rating:** Medium / Medium **Anticipated date of attainment of the target risk rating:** Attained. **Source(s) of assurance regarding progress with mitigating the risk:** Management assurance. All new claims for allowances are being assessed on their merits and defended wherever practical. Use of overtime is being monitored on a monthly basis, with Strategic Directors taking responsibility for addressing any areas of concern.

APPENDIX A

Corporate Risk Register Update for Audit Committee November 2015

Ref No.	Prev Ref No.	Description – risk / issue	Current level of risk: Likelihood / Impact	Current actions / Comments	Long term aim for the risk - including actions, timescales and target risk rating
2015/16.23	35	Current information technology equipment not being refreshed / up dated to maximise use and obtain full benefit from utilising technology and will not wholly support the refresh to using Windows 7 operating system. (Risk) Lead: Deputy Chief Executive, Economy Directorate Owner: All Directors Council Plan risk 8 Risk description to be changed at next update to delete reference to Windows 7.	Low / Significant	**Lead Director comment** The Windows 7 Project is now complete with all 'in scope' assets having been migrated to Windows 7 and Office 2010, or been disabled or removed from the asset register. Service Birmingham is generating the formal Project Closure Report. The Desktop Refresh Phase 1 project to replace 1000 XP machines achieved refresh of 850 devices and is now in project closure stage. Failures that occurred in Phase 1 have been transferred to Phase 2 for further investigation. The Desktop Refresh Phase 2 to replace a further 1956 Windows XP machines is underway and scheduled for completion in March 2015. An additional project to migrate a further 370 BCC Customer Contact Centre devices is underway. Post April 2015 there may still be approximately 500 community library public network devices remaining on the Windows XP platform. These assets were placed on hold during phase 2 due to Netloan application software upgrade requirements. The plan is to replace these assets using the BAU refresh process however this may be subject to change dependent upon the future business operating model within the community libraries. The original number of replacements and migrations for Community libraries Windows XP devices increased significantly to 600. Service Birmingham have managed to absorb the majority of this increase and completion of library refresh remains largely on track for the end of October. At this point this element of the risk can be considered closed.	**Target risk rating:** Low / Significant **Anticipated date of attainment of the target risk rating:** Attained. **Source(s) of assurance regarding progress with mitigating the risk:** BCC achieved Public Services Network Certification to 29 April 2016. Any potential risk has been considerably reduced by decommissioning the majority of Windows XP devices on the BCC network. There remains a small number of devices (10) awaiting applications upgrades to Windows 7. This risk has been reduced by moving these devices to the DMZ and the approach has been accepted by the PSN assessors. Desktop Refresh Project Phase 2 reporting plus subsequent Service Birmingham projects, currently underway. The IT Helpline database has been locked-down to prevent ad hoc purchases outside of the desktop refresh programme. To cover exceptional circumstances users can complete a business case form and send it to the ICF Service Review mailbox for review, approval, rejection. There is now a defined BAU exceptions process. The only exception to this is when the request is for non- standard ICT devices. Non-standard requests will continue to follow the non-standard process. This has been agreed with Service Birmingham.

APPENDIX A

Corporate Risk Register Update for Audit Committee November 2015

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2015/16.24	54	Risk of fines from HRMC for Directorates employing long term consultants. (Risk) Lead: Deputy Chief Executive, Economy Directorate Owner: All Directors	Low / Significant	**Lead Director comment:** Where a council appointed Managed Service Company (MSC) fails HMRC tests on employment status, there are potential fines related to tax and National Insurance avoidance. A new process and gateway for the engagement of off payroll 'Individuals' was approved by EMCB on 13th August 2013. In effect there are two gates, one within the Agency Gateway Team and the other within Corporate Procurement Services (CPS) and the Helpdesk, therefore the potential for officers to engage an individual incorrectly has been greatly reduced which in turn ensures compliance. Staff appear to be bypassing the gateway process that was established, exposing the City to the same risk as before. Alternative means of identifying non-compliance need to be established and more effective controls introduced.	**Target risk rating**: Low / Medium **Anticipated date of attainment of the target risk rating:** 31 December 2015. **Source(s) of assurance regarding progress with mitigating the risk:** The new process has been widely publicised to all Directorates and is available on People Solutions as well as Voyager. It has been embedded in to the procedures within Payroll and CPS. In addition CPS are in the process of arranging information events for officers to attend in order to gain further advice, guidance and support in order to minimise the Council's exposure to risk. Following a restructure within HR the engagement process is to be reviewed with changes implemented by the end of quarter 3.
2015/16.25	47	Risk Deleted - Following Audit Committee approval in July 2015			
2015/16.26	58	Risk Deleted - Following Audit Committee approval in July 2015			
2015/16.27	40	Risk Deleted - Following Audit Committee approval in July 2015			
2015/16.28	56	Risk Deleted - Following Audit Committee approval in July 2015			

APPENDIX A

Corporate Risk Register Update for Audit Committee November 2015

Removed Risks:

Ref No.	Strategic Outcome / Corp Object	Risk description	Reason for removal	Date removed
13	Succeed economically	Failure to progress with delivering against the Birmingham Prospectus.	Risk flagged for deletion by Development & Culture Directorate, this risk should now be picked up at the Directorate level due both to the progress of individual projects and the engagement which is now in place with public and private sector partners.	November 2008
10	Achieving excellence	Property Utilisation of Central Admin Buildings – failure to take full advantage of the opportunities arising from the Working for the Future (WFTF) Business Transformation Programme.	Merged with risk 3 regarding WFTF cross portfolio buildings, at request of Business Transformation Steering Group.	July 2008
7	Achieving excellence	Reduction in non-core budgets e.g. Working Neighbourhoods Fund Comprehensive Spending Review, grant regimes etc.	Risk flagged for deletion by Corporate Director of Resources. Will remain on Directorate Risk Register.	July 2008
19	Achieving excellence	Failure to deliver on the Executive Management Team's (EMT's) key supporting outcomes.	Risk flagged for deletion by Effectively Managed Corporate Business group – EMT's key supporting outcomes were identified in June 07 and are fully embedded within the Directorate Business Plans and monitoring of the Performance Plan. It is a duplication to have this as an issue in the Corporate Risk Register.	January 2008
22	Achieving excellence	Failure to meet the code of connection for Government Connect.	Risk flagged for deletion by the Corporate Director of Resources. Will be managed via ICF Risk Register.	March 2010
8	Succeed economically	Failure to co-ordinate / control all of BCC's Accountable Body roles and responsibilities.	This has improved and will continue to be monitored via the Resources risk register	July 2010
14a	Succeed economically	Failure to progress the Highways Public Finance Initiative (PFI).	The PFI contract was signed on 7 May 2010.	July 2010
15	Achieving excellence	Failure to achieve the efficiencies agreed in the budget round and plan for the efficiencies necessary for the next two years.	This has been incorporated into risk 28.	July 2010
16	Achieving excellence	Lack of compliance with and appropriateness of, corporate people management policies & procedures and national regulations.	The policies & procedures have been updated on People Solutions with the Excellence in People Management system, and compliance with them is covered in risk 18.	July 2010

APPENDIX A

Corporate Risk Register Update for Audit Committee November 2015

Ref No.	Strategic Outcome / Corp Object	Risk description	Reason for removal	Date removed
17	Achieving excellence	Failure to act on the sustainability agenda.	This has been included by Directorates as business as usual now. It will continue to be monitored via the Development risk register.	July 2010
21	Succeed economically	Adverse impact of the economic downturn.	This has been included by Directorates as business as usual now. It will continue to be monitored via Directorate and Department risk registers.	July 2010
3	Succeed economically	Failure to progress the Cross portfolio elements of the Working For The Future (WFTF) programme.	This has been flagged for deletion by the Corporate Director of Resources as progress is being made on this and where there are problems with buildings this is covered in new risk 32 added November 2010.	November 2010
1c	Achieving excellence	Failure to implement the pay and grading review for **all** non-schools staff.	The pay and grading structure for has now been fully implemented and this is no longer a risk.	March 2011
6a	Achieving excellence	Failure to adopt the new working practices implemented through the EPM programme which in turn will impact on benefit delivery.	The new working practices have become business as usual. Benefits delivery is being monitored as part of risk 4.	March 2011
6b	Achieving excellence	Failure to achieve the IT infrastructure which allows all employees to access information electronically.	A full business case is being developed to achieve this. This is no longer a corporate risk and will be monitored through the Corporate Resources Directorate risk register.	March 2011
24	Achieving excellence	Failure to manage pay progression effectively.	The pay progression framework has been applied to Council managed staff and is no longer a risk. The pay progression issue regarding schools staff is covered in risk 1a and will also be monitored through CYP&F Directorate risk register.	March 2011
12	Make a contribution	Failure to engage and inform communities around the Council's approach to improving community cohesion.	Strategic Director of Corporate Resources considers this is no longer a corporate issue and it has been delegated to the Strategic Directorate of Corporate Resources' risk register for continued management.	July 2011
18	Achieving excellence	Failure to implement recommendations made to improve internal control in the External Audit Annual Letter and by Internal Audit to help prevent fraud and error.	Strategic Director of Corporate Resources considers this is no longer a corporate issue and the risk has been delegated to each Directorate to continue to manage.	July 2011
29	Achieving excellence	Failure to achieve progress against local priorities as stated in the Sustainable Community Strategy.	Strategic Director of Corporate Resources considers this is no longer a corporate issue and the risk has been delegated to each Directorate to continue to manage.	July 2011

APPENDIX A

Corporate Risk Register Update for Audit Committee November 2015

Ref No.	Strategic Outcome / Corp Object	Risk description	Reason for removal	Date removed
27	Succeed economically	Failure to put in place action plans and strategies to fully mitigate the effects of reductions in area based grants.	Merged with risk 28 "Need to meet the massive spending reductions over the three years from 2011/12" at request of Strategic Director of Corporate Resources.	December 2011
11	Enjoy a High Quality of Life	Failure to deliver Achieving Excellence with Communities.	The target risk level has been met. Cabinet Committee Achieving Excellence with Communities receives progress reports. The risk has been delegated to Homes and Neighbourhoods directorate to manage.	March 2012
33	Succeed Economically	Failure to adapt to Climate Change.	The target risk level has been exceeded and long term planning has now been put in place. This risk will continue to be managed by directorates.	March 2012
9	Public Service Excellence	Need for capacity to react promptly to and manage the significant workforce changes occurring.	The level of risk has reduced to the target level.	July 2012
31	Public Service Excellence	HRA Finance Reforms.	This is no longer a risk - the funding has been agreed and is included in the 2012/13 budgets.	July 2012
34	Enjoy a High Quality of Life	Independent Care Sector Fees.	The target level of risk has been attained. The risk will continue to be monitored by the Adults & Communities Directorate.	July 2012
38	Public Service Excellence	Failure to maintain infrastructure assets including responsibilities regarding protected listed buildings.	Merged with risk 32 and changed to: Shortage of capital and failure to take appropriate long term decisions to manage the property asset portfolio (by disposals and reinvestment of capital in the residual estate); including responsibilities regarding protected listed buildings, leading to escalating costs.	November 2012
39	Public Service Excellence	Shortfall in resources compared to projections from 2013/14 onwards as a result of the new system of local retention of business rates.	Merged with risk 28 and changed to: Need to plan appropriately for the on-going reduction in government grants resulting in a shortfall in resources compared to projections from 2013/14, particularly the significant potential reduction in resources from 2014/15, and avoid legal challenge.	November 2012
53	Public Service Excellence	Inadequate or ineffective corporate control of non-core IT spend.	Merged with risk 52 to become: Insufficient in-house IT expertise within Directorates & Inadequate or ineffective corporate control of non-core IT spend.	July 2013

APPENDIX A

Corporate Risk Register Update for Audit Committee November 2015

Ref No.	Strategic Outcome / Corp Object	Risk description	Reason for removal	Date removed
5	Stay Safe	Safer recruitment.	Had been at target level of risk for over 12 months, will be managed locally in future.	July 2013
36	Public Service Excellence	Council Tax Rebate scheme.	The Council Tax Rebate scheme has been adopted by Full Council and was implemented with effect from 1/4/2013.	July 2013
49	Succeed Economically	Delivery of Business Charter for Social Responsibilities.	Cabinet reports and policies for Social Value: The Charter and Living Wage were approved by Cabinet in April 2013.	July 2013
43	Enjoy a High Quality of Life	Implications to BCC regarding decision making due to the provisions within the Localism Act and need to respond to community approaches under the Act.	This issue has been assessed as having met the target level of risk (Low likelihood and Medium impact) since May 2013. Corporate Resources and Development & Culture Directorates to continue to monitor locally.	November 2013
4	Public Service Excellence	Need to achieve the full benefits from the whole business transformation programme - including financial and non-financial benefits.	The risk has been fully mitigated and is assessed as being a low likelihood and low impact. The financial challenge going forward is covered within Risk 28 “On-going reduction in government grants resulting in a shortfall in resources compared to projections from 2013/14”.	March 2014
1d	Public Service Excellence	Failure to successfully settle pay & grading and allowances equal pay claims.	The issues will be addressed within risks 1a - 1c & 44.	July 2014
26	Be Healthy	Failure to utilise resources well in jointly working with the NHS to reduce delayed discharges as measured by National Performance Indicator ASCOF2C.	No Birmingham hospitals are now fining the Council for delayed transfers of care activity, and Members are supportive of the progress made and sustained.	July 2014
48	Be Healthy	Delivery of new Public Health responsibilities.	All of the actions relating to the transition of Public Health have been actioned.	July 2014
20	A Prosperous City	Demonstration of benefits arising from Customer First.	All of the actions for 2014/15 are being put in place, ie: Launch of the new Housing Repairs functionality which was delayed from last year, re-design of the website, promotion of self service, improvements to online forms, etc.	November 2014

APPENDIX A

Corporate Risk Register Update for Audit Committee November 2015

Ref No.	Strategic Outcome / Corp Object	Risk description	Reason for removal	Date removed
25	A Prosperous City	Production of timely & accurate IFRS Final Accounts.	The accounts were submitted on 30th June 2014.	November 2014
51	A Prosperous City	Service Birmingham support provided to the SAP HR and payroll system.	There has been significant progress against an agreed improvement plan and the service is now significantly more stable.	November 2014
2015/16.08	A Fair City	Insufficient resources (finance & people) to agree / deliver the change programme.	Cabinet approved a report on 20th April 2015 that set out the Children's Social Care and Early Help Improvement Plan for 2016-2018, including the appropriate financial envelope for the plan.	July 2015
2015/16.25	A Prosperous City	Supply chain failure by reason of supplier withdrawal, liquidation or contract non-compliance.	Following identification of this risk, processes and procedures were developed and rolled out to key contract managers across the organisation with supply chain risk assessments being completed by suppliers. The supply chain risk assessment process is now captured as an annual activity within the supplier annual reviews and the Council's contract management toolkit.	July 2015
2015/16.26	A Prosperous City	PSN resubmission.	The Council has successfully retained PSN submission till April 2016.	July 2015
2015/16.27	A Prosperous City	Financial implications of failing to meet obligations regarding climate change and sustainability - carbon tax cost.	We have made four submissions out of four without issue (and passed an Environment Agency Audit in 2011), giving a 100% success record. The 2014/15 return is progressing normally.	July 2015
2015/16.28	A Prosperous City	Potential for disruption to council services due to the need to transition to a new Banking Services provider with effect from 1/4/2015.	The banking transfer has been successfully concluded.	July 2015