

BIRMINGHAM CITY COUNCIL

PUBLIC REPORT

Report to:	Audit Committee
Report of:	Assistant Director, Audit & Risk Management
Date of Meeting:	21st November 2017
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 has been compiled using updates received from directorates.	
2. Recommendations	
2.1 That the Audit Committee reviews the information provided 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 reduced for 3 risks:	
<ul style="list-style-type: none">• Risk 22 - Risk of fines from HMRC for Directorates employing long term consultants.• Risk 25 - Failure to comply with statutory timescales in relation to DoLS (Deprivation of Liberty) referrals, which could lead to legal challenge and result in financial loss to the Council.• Risk 27 - Risk of claims for payback of search fees charged by the Council.	
2.2 That the Audit Committee approves the deletion of 2 risks:	
<ul style="list-style-type: none">• Risk 22 - Risk of fines from HMRC for Directorates employing long term consultants, as there are now processes in place for the engagement of off payroll individuals.• Risk 27 - Risk of claims for payback of search fees charged by the Council, as the potential liability is less than £160k, and is to be monitored via the directorate risk register.	

3. Background Information

3.1 Members have a key role within the risk management and internal control processes.

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. Directorates have provided information detailing the management of the risks within their service areas as at August / September 2017.

4.4 The Corporate Leadership Team (CLT) reviewed the CRR in October 2017, and are focussing efforts on addressing / mitigating the 5 key 'Big Ticket' risk areas affecting the citizens of Birmingham, ie:

- Risks 1, 4 & 5 - Addressing equal pay claims.
- Risk 2 - Improving children's safeguarding and social care.
- Risk 29 - Setting a balanced budget and containing net spend within budget.
- Risk 32 - Managing and responding to emergency incidents (including acts of terrorism).
- Risk 33 - Improving the health and well-being of Birmingham Citizens.

4.5 The CRR is attached as Appendix A.

5. Embedding Risk Management

- 5.1 There are directorate risk registers in place supported by individual risk registers for service areas. The Council's risk management process is being reviewed to ensure there is a full understanding that risk can represent opportunities for the Council, as well as potential threats; and that Members / officers are aware of the difference between risks and issues.

The current main route to provide risk management awareness is the e-learning package for managers, accessed via the internet. This is currently being reviewed / updated and moved to the Council's learning pool.

- 5.2 Information on the Council's approach to risk management is available via the BCC website. Additional information is attached to the risk management page on the intranet, 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 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. 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.

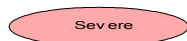
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BCC Risk Map – November 2017

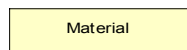
Likelihood:				
High	Loss of personal / sensitive data (R11)		<div>Defend / settle pre 2008 equal pay claims (R4)</div> <div>Further equal pay claims (R5)</div> <div>Responding to emergency incidents including acts of terrorism (R32)</div>	<div>Defend / settle post 2008 equal pay claims (R1)</div> <div>Not responding to improvement agenda / improving childrens safeguarding (R2)</div> <div>Compliance re Counter Terrorism & Security Act and Prevent Duty (R26)</div> <div>Financial pressures re statutory homeless service (R31)</div>
Significant		<div>Responding to Kerslake Report (R10)</div> <div>Compliance to Equality Act 2010 & PSED (R12)</div> <div>Insufficient IT expertise / lack of control of non-core IT spend (R14)</div> <div>Compliance to timescales for DoLS referrals (R25)</div>	<div>Employee relations / sickness absence levels (R7)</div> <div>Failure of STP to deliver change / improve health & well-being (R33)</div> <div>Setting / containing net expenditure within approved budget (R29)</div>	<div>Alternative funding for schools PFI contracts / maintenance of schools estate (R3)</div> <div>Highways PFI - Core Investment deliverables (R6)</div>
Medium	<div>Ineffective Corporate Risk Marker IT solution (R17)</div> <div>Delivery of Localisation Agenda (R19)</div> <div>Fines from HMRC (R22)</div>	<div>Evaluation of service deliver options (R18)</div> <div>Allowances payments (R20)</div>	<div>Not divesting of property assets (R15)</div> <div>Malicious attacks on web based services (R16)</div>	<div>Risk of fines re air quality (R34)</div>
Low		<div>Claims re pay back of search fees (R27)</div>		
	Low	Medium	Significant	High
Impact				

Key:



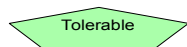
Severe

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.

Index by Risk / Issue Number

No	Short Description of Risk / Issue	Page
2	Not responding fully and effectively to the improvement agenda for children - improving children's safeguarding and social care	11
32	Risk of significant disruption to Council services and failure to effectively manage and respond to emergency incidents, including acts of terrorism	13
33	Failure of the Sustainability Transformation Plan (STP) to deliver a step change to the Health and Social Care system resulting in an improvement to the health and well-being of Birmingham citizens	13
1	Defend and / or settle post 2008 equal pay claims	15
26	Failure to comply with all of the requirements of the Counter Terrorism and Security Act (2015) and the Prevent Duty	15
31	Increased pressure on the statutory homeless service in regards to volume of customers, which leads to significant financial pressure on the general fund due to increased use of B&B	17
4	Defend and / or settle pre 2008 equal pay claims	18
5	Further equal pay claims	18
34	Risk of fines being passed down to Local Authorities in relation to air quality / ongoing fines related to not meeting air quality compliance	19
12	Failure to comply with the Equality Act 2010 and the Public Sector Equality Duty	20
25	Failure to comply with statutory timescales in relation to DoLS (Deprivation of Liberty) referrals, which could lead to legal challenge and result in financial loss to the Council	22
11	Loss of personal or sensitive data	23
27	Risk of claims for payback of search fees charged by the Council	23
Nominated for deletion 3	Failure to identify alternative funding stream for school PFI contracts - impacting on availability of maintenance funding for essential management of the LA schools estate	25
Reworded 6	Failure to achieve all of the services required (including delivery of significant investment into the Highway network), within the first five years of the contract	26
29	Not developing sufficiently robust plans to support setting a balanced budget (including in the medium term), and not containing net spending within the approved budget	27
15	Not recognising the need to divest of costly property assets in radical new solutions to reframe service delivery	28
Nominated for deletion 22	Risk of fines from HMRC for directorates employing long term consultants	29
19	Delivery of the Localisation Agenda and commitments made in the Council's Improvement Plan and Leaders Policy Statement	30
16	Web services may be disrupted by malicious attacks on Council's web based services	31
14	Insufficient in-house IT expertise within directorates & inadequate or ineffective corporate control of non-core IT spend	32
17	Ineffective Corporate Risk Marker IT solution	33
7	Employee relations, performance issues, sickness absence levels, etc	34
10	Not responding fully and effectively to the recommendations made in the Kerslake Report and implementing the Future Council Programme	35
18	Evaluation of cost & benefits of alternative delivery models & failure to fully implement the decisions made to change policy / service delivery	36
20	Allowance payments	37

Key:

	Safeguarding / Welfare
	Statutory Responsibilities / Compliance with Statutory Responsibilities
	Financial Resilience - Risk associated with austerity and the financial challenges facing BCC
	Political - Risks driven by the political agenda
	Technology
	Transformation

Corporate Risk Register Update for Audit Committee November 2017

INDEX OF RISKS / ISSUES (in order of severity of risk per category)

Safeguarding / Welfare

Ranking	Risk No.	Short Description	Lead Director	Actual Risk rating and Target rating Likelihood / Impact Nov 2017	Change in residual risk	Actual risk level in previous 3 updates to Audit Committee			Page No.
						July 2017	March 2017	Nov 2016	
1	2	Not responding fully and effectively to the improvement agenda for children - Failure to improve children's safeguarding and children's social care.	Corporate Director Children & Young People	Actual: H/H Target: M/H	Same	H/H	H/H	H/H	11
2	32	Risk of significant disruption to Council services and failure to effectively manage and respond to emergency incidents, including acts of terrorism.	Interim Chief Executive	Actual: S/H Target: M/S	Same	S/H			13
3	33	Failure of the STP to deliver a step change to the Health and Social Care system resulting in an improvement to the health and well-being of Birmingham citizens.	Interim Corporate Director Adults Social Care & Health	Actual: S/S Target: L/M	Same	S/S			13

Statutory Responsibilities / Compliance with Statutory Responsibilities

Ranking	Risk No.	Short Description	Lead Director	Actual Risk rating and Target rating Likelihood / Impact Nov 2017	Change in residual risk	Actual risk level in previous 3 updates to Audit Committee			Page No.
						July 2017	March 2017	Nov 2016	
1	1	Defend and / or settle post 2008 equal pay claims.	Interim Chief Finance Officer	Actual: H/H Target: M/S	Same	H/H	H/H	H/H	15
2	26	Failure to comply with all of the requirements of the Counter Terrorism and Security Act (2015) and the Prevent Duty.	Corporate Director Place	Actual: H/H Target: M/S	Same	H/H	H/H	H/H	15

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						July 2017	March 2017	Nov 2016	
3	31	Increased pressure on the statutory homeless service in regards to volume of customers.	Corporate Director Place	Actual: H/H	Same	H/H	H/H		17
				Target: M/M					
4	4	Defend and settle pre 2008 equal pay claims.	Interim Chief Finance Officer	Actual: S/H	Same	S/H	S/H	S/H	18
				Target: L/H					
5	5	Further equal pay claims.	Interim Chief Finance Officer	Actual: S/H	Same	S/H	S/H	S/H	18
				Target: M/H					
6	34	Risk of fines being passed down to Local Authorities in relation to air quality / ongoing fines related to not meeting air quality compliance.	Interim Corporate Director Adults Social Care & Health	Actual: H/M	Same	H/M			19
				Target: M/L					
7	12	Failure to comply with all the requirements of the Equality Act 2012 and the Public Sector Equality Duty.	Corporate Director Place	Actual: M/S	Same	M/S	M/S	M/S	20
				Target: M/S					
8	25	Failure to comply with statutory timescales in relation to DoLS (Deprivation of Liberty) referrals, which could lead to legal challenge and result in financial loss to the Council.	Interim Corporate Director, Adult Social Care & Health	Actual: M/S	Reduced	M/H	M/H	M/H	22
				Target: M/S					
9	11	The loss of significant personal or other sensitive data.	Chief Operating Officer	Actual: L/H	Same	M/S	M/S	M/S	23
				Target: L/H					
10	27 <small>Nominated for deletion</small>	Risk of claims for payback of search fees charged by the Council.	Corporate Director Economy	Actual: M/L	Reduced	H/H	H/H	H/H	23
				Target: M/L					

Corporate Risk Register Update for Audit Committee November 2017

Financial Resilience

Ranking	Risk No.	Short Description	Lead Director	Actual Risk rating and Target rating Likelihood / Impact Nov 2017	Change in residual risk	Actual risk level in previous 3 updates to Audit Committee			Page No.
						July 2017	March 2017	Nov 2016	
1	3	Failure to identify alternative funding stream for school PFI contracts revenue pressure, impacting on availability for essential management of the LA schools estate.	Interim Chief Finance Officer	Actual: H/S	Same	H/S	H/S	H/S	25
				Target: M/S					
2	6	Failure to achieve all of the services required including delivery of significant investment into the Highway network within the first five years of the contract.	Corporate Director Economy	Actual: H/S	Same	H/S	H/S	H/S	26
				Target: L/S					
3	29	Not developing sufficiently robust plans to support setting a balanced budget (including in the medium term), and not containing net spending within the approved budget.	Interim Chief Finance Officer	Actual: S/S	Increased	M/S	M/S	M/S	27
				Target: L/S					
4	15	Not recognising the need to divest of costly property assets in radical new solutions to reframe service delivery.	Corporate Director Economy	Actual: S/M	Same	S/M	S/M	S/M	28
				Target: M/L					
5	22 <small>Nominated for deletion</small>	Risk of fines from HMRC for Directorates employing long-term consultants.	Chief Operating Officer	Actual: L/M	Reduced	L/S	L/S	L/S	29
				Target: L/M					

Political

Ranking	Risk No.	Short Description	Lead Director	Actual Risk rating and Target rating Likelihood / Impact Nov 2017	Change in residual risk	Actual risk level in previous 3 updates to Audit Committee			Page No.
						July 2017	March 2017	Nov 2016	
1	19	Failure to deliver the Council's localisation agenda and commitments made in the Council's improvement Plan and Leaders Policy Statement.	Corporate Director Place	Actual: L/M	Same	L/M	L/M	M/M	30
				Target: L/M					

Corporate Risk Register Update for Audit Committee November 2017

Technology

Ranking	Risk No.	Short Description	Lead Director	Actual Risk rating and Target rating Likelihood / Impact Nov 2017	Change in residual risk	Actual risk level in previous 3 updates to Audit Committee			Page No.
						July 2017	March 2017	Nov 2016	
1	16	That web services to customers or work with partners may be disrupted by malicious attacks on the City Council's web based services.	Chief Operating Officer	Actual: S/M	Same	S/M	S/M	S/M	31
				Target: L/M					
2	14	Insufficient in-house IT expertise within directorates and inadequate or ineffective corporate control of non-core IT spending.	Chief Operating Officer	Actual: M/S	Same	M/S	M/S	M/S	32
				Target: L/S					
3	17	Ineffective Corporate Risk Marker IT solution.	Chief Operating Officer	Actual: L/M	Same	L/M	L/S	S/M	33
				Target: L/M					

Transformation

Ranking	Risk No.	Short Description	Lead Director	Actual Risk rating and Target rating Likelihood / Impact Nov 2017	Change in residual risk	Actual risk level in previous 3 updates to Audit Committee			Page No.
						July 2017	March 2017	Nov 2016	
1	7	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.	Chief Operating Officer	Actual: S/S	Same	S/S	H/S	H/S	34
				Target: L/M					
2	10	Not responding fully and effectively to the recommendations made in the Kerslake Report and implementing the Future Council Programme.	Interim Chief Executive	Actual: M/S	Same	M/S	M/S	M/S	35
				Target: L/S					

Corporate Risk Register Update for Audit Committee November 2017

Ranking	Risk No.	Short Description	Lead Director	Actual Risk rating and Target rating Likelihood / Impact Nov 2017	Change in residual risk	Actual risk level in previous 3 updates to Audit Committee			Page No.
						July 2017	March 2017	Nov 2016	
3	18	Failure to adequately evaluate the costs and benefits of alternative delivery models. Failure to fully implement the decisions made to change policy and service delivery.	Chief Operating Officer	Actual: M/M	Same	M/M	M/M	M/M	36
				Target: M/M					
4	20	Allowance payments.	Chief Operating Officer	Actual: M/M	Same	M/M	M/M	M/M	37
				Target: M/M					

Corporate Risk Register Update for Audit Committee November 2017

Safeguarding / Welfare

No.	Description - risk / issue	Current level of risk L/I	Current actions / Comments	Long term aim for the risk - including actions, timescales and target risk rating	Overview & Scrutiny (O&S) Review / Work & Internal Audit (IA) Work
2	<p>Not responding fully and effectively to the improvement agenda for Children - Failure to improve children's safeguarding and children's social care.</p> <p>Lead: Corporate Director Children & Young People Owner: Alastair Gibbons</p>	High / High	<p>Lead Director comment</p> <p>A new Commissioner for Children's Care was appointed in November 2016. He is working with the Council to oversee continued implementation of the improvement plan and support for the development of the Children's Trust, reporting progress to the DfE.</p> <p>There is now greater clarity about resources and priorities going forward, including a sustainable 4 year financial plan and a stable operational model was in place in February 2016. We have worked with partners in the Early Help & Safeguarding Partnership to redesign the front door for early help and social work contacts, and referrals to improve referral-taking, advice, screening and decision-making. CASS (Child Advice & Support Service) is the way into family support and social work services including MASH and child protection, and was in place from September 2016.</p> <p>Ofsted conducted a full inspection of Birmingham Children's Social Care in September / October 2016. Ofsted judged that the Council remained inadequate overall but with several areas of improvement.</p> <p>In January 2017 a new Ofsted Action Plan / Continued Service Improvement Plan was developed with 17 identified broad areas of Service development. This is monitored through the monthly Children's Improvement Board and by Ofsted Monitoring visits, (first one 9th / 10th May 2017) as well as by fortnightly Quartet (Leader, lead member, CE, DCS) Meetings.</p> <p>Essex CC continues to support practice improvement with 72 days input between January and September 2017, learning which informs service development.</p>	<p>Target risk rating: Medium / High</p> <p>Anticipated date of attainment of the target risk rating: April 2018.</p> <p>Source(s) of assurance regarding progress with mitigating the risk:</p> <p>Management assurance, Peer review, Ofsted visits, Scrutiny Committee monitoring, and Children's Commissioner fortnightly. Quartet Meetings (Children's Improvement Programme Board); Essex improvement support.</p> <p>The refreshed improvement plan, with the necessary investment is being delivered.</p> <p>There is still much to do to ensure the quality of practice. Cabinet approval has been given to the replacement of the CareFirst case system and a procurement process is almost complete.</p> <p>Cabinet in January 2017 agreed moving to a shadow Children's Trust from April 2017; and for full implementation from April 2018. The Chief Executive of the Trust was appointed in May 2017.</p> <p>Cabinet in July 2017 agreed staff would be TUPE'd to the Trust and which staff groups would move; numbers of staff, overall budget and savings to be delivered in year.</p> <p>In August 2017 DfE tendered for a further 72 days improvement support for children's services, up until September 2018. This support, along with a stronger focus on performance from the Trust</p>	<p>O&S - Schools, Children and Families O&S Cttee:</p> <p>Scrutinised progress on the Scrutiny Inquiry: Children Missing from Home and Care on 12th Oct 2016 and April 2017; and discussed children missing from education on 12th Oct 2016 and 24th August 2017. The BEP was questioned on school improvement on 21st September 2016, and 22nd March 2017.</p> <p>Members discussed the Children's Social Care and Safeguarding Improvement Plan at the informal July 2016 meeting. On 7th Dec 2016 the Committee examined changes following the Ofsted visit and improvements to MASH / CASS. The Cabinet Member was also questioned on improvements on 12th July 2017.</p> <p>July and September 2016 saw Members discussing progress to the Voluntary Children's Trust and met with Andrew Christie on 23rd January 2017 to scrutinise the plans going to Cabinet. In addition, Members have identified Home to School Travel as being a risk to service users, the Council's reputation, legal challenge and budget control.</p>

Corporate Risk Register Update for Audit Committee November 2017

Safeguarding / Welfare

No.	Description - risk / issue	Current level of risk L/I	Current actions / Comments	Long term aim for the risk - including actions, timescales and target risk rating	Overview & Scrutiny (O&S) Review / Work & Internal Audit (IA) Work
			<p>We continue to develop services with partners through the Early Help and Safeguarding Partnership.</p> <p>Staff group is stable and there is a deliverable budget for 2017/18.</p> <p>There was an Ofsted Monitoring visit in May 2017 which found 'notable progress'. The Children's Trust CE took up post in August 2017 when support services moved over in line with management to the Shadow Children's Trust, and all relevant staff received TUPE letters.</p> <p>The Shadow Children's Trust Board, fully appointed, met for the first time in August 2017.</p>	<p>Board will continue and add pace to improvement, thus mitigating this risk.</p> <p>A new case records system has been procured to replace Carefirst, and this will be implemented in summer 2018, freeing up social worker time and making the maintenance of case records easier and more family focused.</p>	<p>They examined this on 5th Dec 2016 at an informal meeting, and at the budget discussion meeting on 11th January 2017. Several Members of the committee are on the Inclusion Commission taking this work further.</p> <p>Held meetings with the Exec Director for Children's Services, Chief Social Worker, adoption and fostering team and Social Workers at all three areas.</p> <p>The Inquiry into Corporate Parenting was undertaken to improve the Cllrs role as Corporate Parents for Children in Care. This was agreed at Council on 4th April 2017 and update on progress is due in October 2017.</p> <p>IA Reviews 2016/17: Child Protection Case Conference - Engagement, Dealing with Excluded Pupils, Children Missing From Education, Effective Social Working with Families, Carefirst, Sexual Health Contract - Identification of Child Sexual Exploitation, Personal Education Plans F/Up, IS Management (iCare Application).</p> <p>IA Review 2017/18: Carefirst, Direct Payment Workflow.</p>

Corporate Risk Register Update for Audit Committee November 2017

Safeguarding / Welfare

No.	Description - risk / issue	Current level of risk L/I	Current actions / Comments	Long term aim for the risk - including actions, timescales and target risk rating	Overview & Scrutiny (O&S) Review / Work & Internal Audit (IA) Work
32	<p>Risk of significant disruption to Council services and failure to effectively manage and respond to emergency incidents, including acts of terrorism.</p> <p>Lead: Interim Chief Executive Owner: Jacqui Kennedy</p>	Significant / High	<p>Lead Director comment</p> <p>Project Argus briefing to CLT undertaken during summer 2017.</p> <p>Major incident exercise (Assured) programmed for November 2017.</p> <p>Protect and prepare meetings programmed quarterly for 2017. Action tracker in place.</p> <p>Corporate and LRF emergency plans in place.</p> <p>Working with LRF partners on exercising 24/7 out of hours emergency duty officer service in place including emergency control room.</p> <p>Security awareness briefings held with Council House Staff and elected members.</p> <p>Work progressing with Prevent Community Reference Group to incorporate community responses into wider resilience plans.</p>	<p>Target risk rating: Medium / Significant</p> <p>Anticipated date of attainment of the target risk rating: Ongoing.</p> <p>Source(s) of assurance regarding progress with mitigating the risk:</p> <p>Cooperation with WMP CTU on their proposed Birmingham Protect and Prepare Board.</p> <p>Meeting to discuss this and wider issues 14th July 2017.</p> <p>Consolidate BCC and WMP P&P Processes</p>	<p>O&S - None.</p> <p>IA Review - None.</p>
33	<p>Failure of the STP to deliver a step change to the Health and Social Care system resulting in an improvement to the health and well-being of Birmingham citizens.</p> <p>Lead: Interim Corporate Director Adults Social Care & Health Owner: Graeme Betts</p>	Significant / Significant	<p>Lead Director comment</p> <p>The leadership of the STP has changed. The STP board has agreed a revised purpose which will mitigate this risk. However, the scale of the challenge including meaningful public and staff engagement will mean this process will not be fast. Additionally there are "task" requirements of NHSE which may deflect attention this year.</p>	<p>Target risk rating: Low / Medium</p> <p>Anticipated date of attainment of the target risk rating: March 2019.</p> <p>Source(s) of assurance regarding progress with mitigating the risk:</p> <p>STP board which is represented by the Leader / Cllr Hamilton, CEO and Graeme Betts.</p>	<p>O&S - Health & Social Care O&S Committee have had regular updates on the STP both in main committee and Joint Birmingham / Solihull Health Scrutiny Committee.</p> <p>On 27th September 2016, Cllr Hamilton and Peter Hay attended HOSC to give an update. Cllr Hamilton highlighted concerns. In response to this the System Lead (Mark Rogers) and Workstream Leads (Dame Julie Moore, Sarah-Jane Marsh, John Short and Les</p>

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Safeguarding / Welfare					
No.	Description - risk / issue	Current level of risk L/I	Current actions / Comments	Long term aim for the risk - including actions, timescales and target risk rating	Overview & Scrutiny (O&S) Review / Work & Internal Audit (IA) Work
					<p>Williams) attended committee on 25th October 2016.</p> <p>On 6th December 2016, a report on the current position regarding the STP was presented to City Council.</p> <p>A further update was presented by Piali Das Gupta on 21st February 2017.</p> <p>Kathryn Hudson, STP Programme Director and Graeme Betts have been invited to attend HOSC on 17th October 2017 to present another update.</p> <p>In addition, on 8th March 2017, Andrew McKirgan, who was then the Director BSoI STP and Judith Davis, Programme Director, Better Care Fund attended Birmingham / Solihull JHOSC to present a progress report.</p> <p>IA Review - None.</p>

Corporate Risk Register Update for Audit Committee November 2017

Statutory Responsibilities / Compliance with Statutory Responsibilities					
No.	Description - risk / issue	Current level of risk L/I	Current actions / Comments	Long term aim for the risk - including actions, timescales and target risk rating	Overview & Scrutiny (O&S) Review / Work & Internal Audit (IA) Work
1	<p>Failure to successfully defend and / or settle post 2008 equal pay claims.</p> <p>Lead: Interim Chief Finance Officer Owner: Kate Charlton</p>	High / High	<p>Lead Director comment</p> <p>A significant number of claims has been issued. A proportion of these has already been settled or is in the process of settlement.</p> <p>The validity of claims is constantly challenged by Legal Services. Each claim is subject to robust legal challenge.</p> <p>Settlement of claims is subject to financial provision, which is due to expire on 31/03/18, and establishing validity of claims.</p>	<p>Target risk rating: Medium / Significant</p> <p>Anticipated date of attainment of the target risk rating: March 2018.</p> <p>Source(s) of assurance regarding progress with mitigating the risk:</p> <p>Management assurance - regular separate reporting to Corporate Governance Group, EMCB and the Audit Committee. External & internal audit review.</p>	<p>O&S - None.</p> <p>IA - Payroll review work undertaken annually.</p>
26	<p>Failure to comply with all of the requirements of the Counter Terrorism and Security Act (2015) and the Prevent Duty.</p> <p>Lead: Corporate Director, Place Owner: Jacqui Kennedy</p>	High / High	<p>Lead Director comment</p> <p>The threat and vulnerability risk assessment of a terrorist attack in the UK places Birmingham as the most vulnerable city after London. In 2015 the Council and partners reviewed its infrastructure around this risk to take into account the Counter-Terrorism and Security Act 2015, that includes a duty on certain bodies ('specified authorities' listed in Schedule 6 to the Act), in the exercise of their functions to have 'due regard to the need to prevent people from being drawn into terrorism'.</p> <p>The duty does not confer new functions on any specified authority. The term 'due regard' means that the authorities should place an appropriate amount of weight on the need to prevent people being drawn into terrorism when they consider all the other factors relevant to how they carry out their usual functions.</p> <p>The Council has applied a partnership and mainstreaming approach to mitigate the risks associated with the threat.</p> <p>Governance for the Prevent programme has been strengthened with the Prevent coordinator now reporting directly to the</p>	<p>Target risk rating: Medium / Significant</p> <p>Anticipated date of review/attainment of the target risk rating: Ongoing</p> <p>Source(s) of assurance regarding progress with mitigating the risk:</p> <p>Delivery continues to be monitored by the CONTEST Board Chaired by the Deputy Leader.</p> <p>Prevent Delivery Plan in place driven by Counter Terrorism Local Profile, monitored by the Prevent Executive Board, chaired by Jacqui Kennedy.</p> <p>Security briefings to Council House staff & Members.</p> <p>Training for front line staff moved to a 'train the trainer' model - 600 trainers having been trained to deliver future WRAP awareness training to schools alleviating capacity issues within the local authority.</p>	<p>O&S - Waqar Ahmed, Prevent Manager reported to Scrutiny on 26th April 2017 alongside Chief Social Worker Tony Stanley to discuss safeguarding arrangements for Prevent and radicalisation.</p> <p>IA Review 2016/17: Work undertaken during quarters 1&2.</p> <p>Birmingham contributing to the Home Office Audit on national Prevent activity.</p>

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No.	Description - risk / issue	Current level of risk L/I	Current actions / Comments	Long term aim for the risk - including actions, timescales and target risk rating	Overview & Scrutiny (O&S) Review / Work & Internal Audit (IA) Work
			Strategic Director and Assistant Chief Executive increasing visibility across the Council.	<p>Support continues to be provided to schools around Prevent via the Schools Resilience Officer and additional funding approved to employ a second schools officer.</p> <p>Prevent is embedded within CASS/MASH arrangements and within the Right Services, Right Time safeguarding procedures. A new screening tool has been developed to support the request for support form.</p> <p>CHANNEL is in place as a multi-agency pre-criminal space platform to support vulnerable people; and chaired by the DWPs Think Family Lead.</p> <p>Community initiatives in place commissioned by the Home Officer to provide community solutions and are regarded by the Home Office as national best practice with scaling up plans initiated to extend into other regional areas.</p> <p>BCC Resilience Team continues to lead on the Prepare and Protect strand of the counter-terrorism strategy.</p>	

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31	<p>Increased pressure on the statutory homeless service in regards to volume of customers, which leads to significant financial pressure on the general fund due to increased use of B&B.</p> <p>Lead: Corporate Director, Place Owner: Rob James</p>	High / High	<p>Although the service was forecast to be overspent by over £4.7 million in 2016/17, the final outturn was £2.6 million. To mitigate the financial pressure on the service, several management interventions have been put in place. These include a report to Cabinet in August 2017 to increase the number of homeless centres owned and managed by Birmingham City Council. Properties are to be refurbished for use as temporary accommodation, which avoids use of Bed and Breakfast (the most expensive).</p> <p>The report sets out:</p> <ul style="list-style-type: none"> Proposals for the creation of two additional homeless centres for use as temporary accommodation as part of the Council's statutory duty to provide temporary accommodation; and The approach and procurement strategy for the refurbishment of two Council owned properties for use as temporary accommodation. <p>In addition, a homeless prevention strategy is currently being consulted on, which aims to prevent people becoming homeless and assisting in sustaining tenancies. The strategy is to be reported to Cabinet in January 2018 and to full Council in February 2018. The Homeless Reduction Act is due to come into force in 2018, which will place additional burdens on the City to prevent homelessness and reduce the use of temporary accommodation. We are currently working with the Department of Communities and Local Government to produce an implementation plan for the City.</p>	<p>Target risk rating: Medium / Medium</p> <p>Anticipated date of attainment of the target risk rating: March 2018.</p> <p>Source(s) of assurance regarding progress with mitigating the risk:</p> <p>Management assurance - regular reporting to Cabinet Member, monthly meetings with finance, discussions at Housing DMT, 1to1s with Head of Service.</p>	<p>O&S -The Housing and Homes O&S Committee inquiry into rough sleeping was presented to City Council in June 2017, and progress on implementation of the recommendations will be tracked by the committee on a regular basis starting with its December 2017 meeting. At the same meeting, Members will receive an update on the Allocations Scheme.</p> <p>It is also proposed that in early 2018 the Committee be briefed on the implementation of the Homelessness Reduction Act.</p> <p>IA Review 2017/18: Allocations.</p>

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No.	Description - risk / issue	Current level of risk L/I	Current actions / Comments	Long term aim for the risk - including actions, timescales and target risk rating	Overview & Scrutiny (O&S) Review / Work & Internal Audit (IA) Work
4	<p>Failure to successfully defend and / or settle pre 2008 equal pay claims.</p> <p>Lead: Interim Chief Finance Officer Owner: Kate Charlton</p>	Significant / High	<p>Lead Director comment</p> <p>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 settled including a further cohort as part of settlement agreements reached in 2011 and 2013.</p> <p>Claims issued since January 2015 are now out of time and are not valid claims. The Council is succeeding in striking out these out of time claims.</p> <p>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. Any offer of settlement is subject to available financial resources.</p>	<p>Target risk rating: Low / High</p> <p>Anticipated date of attainment of the target risk rating: March 2018.</p> <p>Source(s) of assurance regarding progress with mitigating the risk:</p> <p>Management assurance - reporting to Corporate Governance Group, Audit Committee, external & internal audit review.</p>	See risk SR01 above.
5	<p>Risk of further equal pay claims.</p> <p>Lead: Interim Chief Finance Officer Owner: Kate Charlton</p>	Significant / High	<p>Lead Director comment</p> <p>Claimant solicitors are continually 'fishing' for further equal pay liability by issuing further equal pay claims in addition to those referred to in risks 01 and 04.</p> <p>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.</p>	<p>Target risk rating: Medium / High</p> <p>Anticipated date of attainment of the target risk rating: Not known at current date.</p> <p>Source(s) of assurance regarding progress with mitigating the risk:</p> <p>Management assurance - reporting to Corporate Governance Group, Audit Committee, external & internal audit review. With a view to preventing discriminatory working practices, robust review processes and checks and balances have been put in place to mitigate against / prevent further liability post 2011; where evidence of potential risk(s) is known / identified.</p>	See risk SR01 above.

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34	<p>With uncertainty on the UK air quality action plan following challenges through the judicial system and the costs associated with the Government announcing infraction fines being passed down to Local Authorities in relation to air quality there is the potential of an initial £60m fine and then ongoing fines related to Birmingham not meeting air quality compliance.</p> <p>Lead: Interim Corporate Director Adults Social Care & Health Owner: Adrian Phillips</p>	High / Medium	<p>Lead Director comment</p> <p>Weekly teleconference meetings with DEFRA's Joint Air Quality Unit to update mitigation plans.</p> <p>Monthly Air Quality Members Steering Group to provide strategic direction for wider Air Quality Programme including deployment of Clean Air Zone.</p> <p>Feasibility studies to measure air quality impact and assess measures and controls to meet compliance, including level of Clean Air Zone to be deployed.</p> <p>Development of overarching clean air policy for Birmingham for 2018.</p> <p>Positive engagement with WMCA.</p>	<p>Target risk rating: Medium / Low</p> <p>Anticipated date of attainment of the target risk rating: April 2019.</p> <p>Source(s) of assurance regarding progress with mitigating the risk:</p> <p>Wider Air Quality Plan that includes:</p> <ul style="list-style-type: none"> Traffic management, signalling and signage controls - 12/2018. Controlled Parking Zones - 12/2018. BCC Internal & External Fleet transition to low / zero emission full Low / zero re-fuelling infrastructure - 04/2019. Clean Air Zone strategic business case signed off by Secretary of State by 12/2017 to enable CAZ infrastructure for access restrictions deployed by 04/2019. Revised Birmingham Taxi Licensing Policy based on air quality compliance emissions - 12/2018. All BCC procurement frameworks and tendering processes aligned with CAZ compliance - 12/2018. 	<p>O&S - The Health & Social Care O&S Committee have carried out an inquiry into 'The Impact of Poor Air Quality on Health'.</p> <p>Evidence gathering took place on 17th January 2017 and 28th March 2017. Witnesses included:-</p> <ul style="list-style-type: none"> Public Health England Friends of the Earth Birmingham Trees for Life Transport for West Midlands Birmingham Children's Hospital Network Rail <p>The final report was presented to City Council for ratification on 12th September 2017.</p> <p>Further reports tracking the implementation of recommendations will be presented to HOSC on a regular basis beginning in March 2018.</p> <p>IA Review - None.</p>

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12	<p>Failure to comply with all of the requirements of the Equality Act (2010) and the Public Sector Equality Duty.</p> <p>Lead: Corporate Director, Place Owner: Jacqui Kennedy</p>	Medium / Significant	<p>Lead Director comment</p> <p>The Public Sector Equality Duty (PSED) was created by the Equality Act 2010 and is set out in section 149. It applies to public bodies, such as local authorities listed in Schedule 19 to the Act, and to other organisations when they are carrying out public functions. The PSED contains specific duties (Specific Duties Regulations 2011) which are an important lever for ensuring that public bodies take account of equality when conducting their day-to-day work. When delivering their services and performing their functions, bodies subject to the PSED must have due regard to the need to:</p> <ul style="list-style-type: none"> • Eliminate discrimination, harassment and victimisation and any other conduct that is prohibited by or under the Act. • Advance equality of opportunity between people who share a relevant protected characteristic and people who do not share it. • Foster good relations between people who share a relevant protected characteristic and those who do not share it. <p>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 Equality Assessments (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. Directorate Equality Champions are responsible for assuring their SMT that a governance framework is in place across their directorate which supports the equalities agenda and compliance to legislation. They should ensure that the EAs produced by the service are capturing evidence of ongoing compliance. Legal Services are advising on high risk EAs.</p>	<p>Target risk rating: Medium / Significant</p> <p>Anticipated date of attainment of the target risk rating: Attained.</p> <p>Source(s) of assurance regarding progress with mitigating the risk:</p> <ul style="list-style-type: none"> • 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. <p>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 EAs. The toolkit provides a step by step process and on line guidance to completing an EA and developing an action plan.</p> <p>The online toolkit provides an overview of all EAs undertaken on the system.</p>	<p>O&S - Corporate Resources and Governance O&S Committee to have briefing on HR matters including workforce equality on 21st September 2017.</p> <p>IA Review - None.</p>

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No.	Description - risk / issue	Current level of risk L/I	Current actions / Comments	Long term aim for the risk - including actions, timescales and target risk rating	Overview & Scrutiny (O&S) Review / Work & Internal Audit (IA) Work
			<p>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 EAs submitted for approval.</p> <p>All budget planning paperwork requires equality assessments to be completed at an early stage and throughout.</p> <p>The Equality Analysis Toolkit is available to Directorates to undertake EAs for all new Policies and Procedures, and the EA process includes a quality assurance check by the Directorate Equality champion, alongside a senior officer level sign off and assurance of each EA. Advice and support on completion of the EA 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.</p> <p>Corporate consultation and EAs have been undertaken on all relevant corporate savings. Directorates will continue to undertake consultation and EAs for individual initiatives where appropriate. This process is overseen by the Directorate Equality Champions. Directorate DMTs will monitor progress on the EAs alongside other performance related issues which are then reported to the CLT Performance Board.</p> <p>A robust approach exists for savings proposals. Corporate Consultation, EAs and all associated consultation are aligned, with emphasis on feedback from the protected groups.</p> <p>In line with the Specific Duties Regulations 2011, the Council must annually publish information relating to (a) people who are affected by our policies and practices who share protected</p>	Project managers are encouraged to take legal advice on high risk initiatives.	

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No.	Description - risk / issue	Current level of risk L/I	Current actions / Comments	Long term aim for the risk - including actions, timescales and target risk rating	Overview & Scrutiny (O&S) Review / Work & Internal Audit (IA) Work
			characteristics; and (b) our employees who share protected characteristics. The Regulations also require us to set equality objectives every 4 years. In 2014 the Council published high-level actions identified to deliver the Council's business plan and achieve the Council's vision. In March 2016 the Council approved its vision, priorities and approach set out in the Council Business Plan. This will be reviewed as part of programme for the Council of the Future.		
25	<p>Failure to comply with statutory timescales in relation to DoLS (Deprivation of Liberty) referrals, which could lead to legal challenge and result in financial loss to the Council.</p> <p>Lead: Interim Corporate Director, Adult Social Care & Health Owner: Tapshum Pattni</p>	Medium / Significant	<p>Lead Director comment</p> <p>This risk is made of 2 components:</p> <p>1) DOLS in Care Homes and Hospitals - DOLS strategy was reviewed in July. ASC&H DLT and the Cabinet Member subsequently adopted the recommendation to adopt an alternative view of the balance of litigation risks v financial risks in this area. In line with the approach taken by the majority of West Midland Local Authorities, it will in future only undertake DOLS assessments for those adults who meet the ADASS "High" criteria. The significantly enlarged Best Interest Assessor (BIA) team, with increased management and administrative support will remain but expenditure on the external BIA service has ceased. The effect is anticipated to be a reduction in the number of DOLS authorisations, but an increase of those of "High" priority (and existing cases due for renewal) being completed within the legal time limit. The overall position of the number of cases which have not been assessed will steadily increase, but this will be viewed as a lower risk to the Council than previously.</p> <p>2) Community DOLS - A business process, staff procedure, manager prioritisation guidance and staff training have been established, in conjunction with legal Services, and are now in use. This level of activity seems to be in line with that of other local authority areas.</p>	<p>Target risk rating: Medium / Significant</p> <p>Anticipated date of review/attainment of the target risk rating: September 2017.</p> <p>Source(s) of assurance regarding progress with mitigating the risk:</p> <p>A monthly position report is presented to the Directorate DOLS Project Board. A bi-monthly report is presented to the Cabinet Member.</p>	<p>O&S - None.</p> <p>IA Review 2016/17: Deprivation of Liberty Standards F/Up.</p> <p>IA Review 2017/18: Deprivation of Liberty 2nd F/Up.</p>

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No.	Description - risk / issue	Current level of risk L/I	Current actions / Comments	Long term aim for the risk - including actions, timescales and target risk rating	Overview & Scrutiny (O&S) Review / Work & Internal Audit (IA) Work
11	<p>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.</p> <p>Lead: Chief Operating Officer Strategic Services Owner: Malkiat Thiarai</p>	Low / High	<p>Lead Director comment</p> <p>Current controls based on encryption of data on mobile devices or copied to removable media; and programme of staff education and training.</p> <p>Breach management processes have been established with clear lines of responsibility to the Senior Information Risk Owner (SIRO), 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 the Information Commissioner's Office.</p> <p>Egress has been deployed and is operational.</p> <p>The e-learning Information Governance modules were launched in October 2016 following approval by the SIRO.</p>	<p>Target risk rating: Low / High</p> <p>Anticipated date of attainment of the target risk rating: Attained.</p> <p>Source(s) of assurance regarding progress with mitigating the risk:</p> <p>The e-Learning modules have been rolled out to all staff that have access to e-mail. Training uptake as at 30th September 2017 was approximately 58% across the Council. A report is being taken to CLT to discuss next steps.</p> <p>Further controls on assuring that suppliers and partners impose similar controls on Council data in their possession.</p>	<p>O&S - None.</p> <p>IA Reviews 2016/17: Sophos Post Implementation Review, N3 Network, IG - Fostering & Adoption F/Up, Third Party Service Provision F/Up, Network Management and Data Quality - DfE Returns.</p> <p>IA Reviews 2017/18: Data Sharing, Third Party Service Provision and Information Assurance Framework.</p>
27	<p>Risk of claims for payback of search fees charged by the Council.</p> <p>Note: Relates to reimbursement of fees deemed to be in breach of Environmental Information Regulations. Claims for costs can be substantial higher than the search fees.</p> <p>Lead: Corporate Director Economy Owner: Phillip Edwards</p> <p>Nominated for deletion</p>	Medium / Low	<p>Lead Director comment</p> <p>Current charges are in line with guidance issued by the European Court of Justice; preventing any other grounds for claims beyond 1st April 2016.</p> <p>Charges prior to 1st April 2016 are subject to challenge. If payback is necessary it will impact the Council's budget.</p> <p>The potential liability to the Council is estimated to be in the region of £155k.</p> <p>APPS claims have now been settled following negotiations by Bevan Britton Lawyers acting on behalf of local authorities. However, the APPS companies have made a new burdens application in respect of the sums paid by Councils, including interest and legal fees.</p>	<p>Target risk rating: Medium / Low</p> <p>Anticipated date of attainment of the target risk rating: March 2022.</p> <p>Source(s) of assurance regarding progress with mitigating the risk: Legal Services are being consulted.</p>	<p>O&S - None.</p> <p>IA Review - None.</p>

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			<p>The LGA were to meet with Central Government in October 2016 to come to a decision, but the meeting was cancelled as further advice from Counsel was required. Until Central government makes a decision, the LGA cannot give a completion date for this work.</p> <p>The LGA anticipate that future legal costs will be limited and continued to be apportioned between local authorities, but are unable at this stage to quantify.</p> <p>Following the recent European Court of Justice ruling Councils now have to make this information available for free.</p>		

Corporate Risk Register Update for Audit Committee November 2017

Financial Resilience - Risks associated with austerity and the financial challenges facing BCC

No.	Description - risk / issue	Current level of risk L/I	Current actions / Comments	Long term aim for the risk - including actions, timescales and target risk rating	Overview & Scrutiny (O&S) Review / Work & Internal Audit (IA) Work
3	<p>Failure to identify alternative funding stream for school PFI contracts revenue pressure, impacting on availability of maintenance funding for essential management of the LA schools estate.</p> <p>Lead: Interim Chief Finance Officer Owner: Jaswinder Didially</p>	High / Significant	<p>Lead Director comment</p> <p>Major review of PFI contract management arrangements underway following Local Partnerships pilot project.</p> <p>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.</p> <p>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.</p> <p>The current 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:</p> <ul style="list-style-type: none"> Schools capital maintenance programme is successfully leveraging school spend on essential repairs and maintenance through a dual funding strategy. Dedicated resource is focusing on maximum savings against current PFI contracts. 	<p>Target risk rating: Medium / Significant</p> <p>Anticipated date of review/attainment of the target risk rating: December 2017.</p> <p>Source(s) of assurance regarding progress with mitigating the risk:</p> <p>Management reporting on PFI savings.</p> <p>Oversight and monitoring of temporary school closures due to asset failure.</p> <p>A report was submitted to the March 2016 Audit Committee meeting outlining some of the initiatives being pursued to reduce the gap and a subsequent report has been considered at Cabinet (20th September 2016), detailing savings associated with the Broadway lifecycle arrangements.</p> <p>Savings associated with the Broadway life cycling arrangements achieved - £1.6m for 2017/18 as a one off payment followed by £330k pa for the duration of the contract.</p> <p>Outcomes of the benchmarking exercise which were implemented in December 2016 - a total net saving of £545,000 per annum for 5 years will be achieved.</p>	<p>O&S - None.</p> <p>IA Review - None.</p>

Corporate Risk Register Update for Audit Committee November 2017

Financial Resilience - Risks associated with austerity and the financial challenges facing BCC

No.	Description - risk / issue	Current level of risk L/I	Current actions / Comments	Long term aim for the risk - including actions, timescales and target risk rating	Overview & Scrutiny (O&S) Review / Work & Internal Audit (IA) Work
6	<p>The business case for the Highway Maintenance and Management PFI including delivery of significant investment into the Highway network within the first five years of the contract (the Core Investment Period). Risk of failure to achieve all of the services required within the Core Investment Period.</p> <p>Lead: Corporate Director, Economy Owner: Domenic de Bechi</p> <p>Risk Reworded</p>	High / Significant	<p>Lead Director comment</p> <p>The Council has sought to resolve the issue informally but this was not possible.</p> <p>The Council referred this matter for adjudication under the contractual Dispute Resolution procedure, the outcome of which was advised favourably to the Council's case in July 2015.</p> <p>The outcome was referred to court by the Service Provider, and the trial took place in February 2016.</p> <p>The judgment was handed down on 5th September 2016, which ruled that the adjudication "was wrong", but did not grant the declarations sought by the Service Provider.</p> <p>The Council, based on legal advice, has been granted unconditional leave to appeal. Another related dispute will also need to be resolved and the way forward on this is also being considered.</p> <p>We continue to consider the options for an alternative resolution to these disputes.</p>	<p>Target risk rating: Low / Significant</p> <p>Anticipated date of attainment of the target risk rating:</p> <p>The date of the appeal hearing is scheduled for January 2018.</p> <p>Resolution of the further dispute is not yet known but is likely to take many months.</p> <p>An initial agreement has been reached with the Service Provider which may allow the disputes to be resolved but will require a full agreement to be reached before the appeal hearing.</p> <p>Source(s) of assurance regarding progress with mitigating the risk:</p> <p>External legal advice and representation has been engaged. The merits of an appeal are being considered.</p>	<p>O&S - Economy, Skills and Transport OSC discussed with Cabinet Member at Committee on 22nd September 2016. A private session subsequently took place on 3rd November 2016. A further briefing for Members will be scheduled during 2017 subject to the outcome of the appeal.</p> <p>IA Review 2016/17: Highways PFI.</p>

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Financial Resilience - Risks associated with austerity and the financial challenges facing BCC

No.	Description - risk / issue	Current level of risk L/I	Current actions / Comments	Long term aim for the risk - including actions, timescales and target risk rating	Overview & Scrutiny (O&S) Review / Work & Internal Audit (IA) Work
29	<p>Not developing sufficiently robust plans to support setting a balanced budget (including in the medium term), and not containing net spending within the approved budget</p> <p>Lead: Interim Chief Finance Officer Owner: Steve Powell</p>	Significant / Significant	<p>Lead Director comment</p> <ul style="list-style-type: none"> Delivery of the budget and savings programme is being closely monitored, by the Budget Board (of CLT and Cabinet Members) to review delivery of the most significant elements of the savings programme; and to identify mitigating actions. Corporate Directors have clear accountability for the delivery of each initiative. The Council holds reserves which can be used as part of a risk management strategy to support the implementation of the budget if necessary. The Council's LTFP is refreshed regularly to take account of latest information, including savings delivery issues. Planning is already underway to identify the necessary budget actions for future years. Proposals will be subject to proper process, including public consultation, in the normal way. 	<p>Target risk rating: Low / Significant</p> <p>Anticipated date of attainment of the target risk rating: Ongoing.</p> <p>Source(s) of assurance regarding progress with mitigating the risk:</p> <p>Planned activities to further mitigate this risk:</p> <ul style="list-style-type: none"> There is close monitoring of the delivery of the Business Plan and Budget and additional governance arrangements have been introduced. The Council has a risk management strategy to address issues relating to difficulties in the delivery of the savings programme. There is a clear focus on the development of robust consultation and implementation plans for all savings. There is an enhanced focus on the project management of the savings programme, co-ordinated by the PMO. The Council maintains a medium term perspective in its financial plans - spending, savings and resources. 	<p>O&S - The Corporate Resources and Governance O&S Committee have set up a Finance Sub-Committee to scrutinise budget matters with the Deputy Leader.</p> <p>Each Scrutiny Committee considered aspects of the budget relevant to their remits (December 2016 to January 2017) and findings fed back as part of the budget consultation process. The Corporate Resources and Governance O&S Committee questioned the Deputy Leader on deliverability of the budget.</p> <p>IA Review 2017/18: Financial Control Review.</p>

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Financial Resilience - Risks associated with austerity and the financial challenges facing BCC

No.	Description - risk / issue	Current level of risk L/I	Current actions / Comments	Long term aim for the risk - including actions, timescales and target risk rating	Overview & Scrutiny (O&S) Review / Work & Internal Audit (IA) Work
15	<p>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 innovative and appropriate reductions in future revenue operating costs.</p> <p>Lead: Corporate Director, Economy</p> <p>Owner: Alex Grey</p>	Significant / Medium	<p>Lead Director comment</p> <p>Risk mitigated by:</p> <ul style="list-style-type: none"> The Future Council Programme and proposals put out to public consultation, have the potential to drive commitment to property rationalisation, as part of the contributions to future years cost reductions. To assist with property rationalisation alongside future service planning and development programmes, a Property Services Business Partner role has been established with the Place Directorate. The Corporate Landlord Service has continued to deliver the facilitation of delivery of further organisation changes. Accommodation changes across Directorates continue to be dealt with and delivered. 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, provision of information and analysis to inform strategic decision making, etc. The 'Smarter Working' project is intended to increase agility and bring further organisation and management culture change across the Council. A key outcome will potentially be further rationalisation of the Central Administration Buildings portfolio. 	<p>Target risk rating: Medium / Low</p> <p>Anticipated date of attainment of the target risk rating: April 2018. Ongoing and subject to potentially, significant change driven by BCC corporate business plan (this is currently "continuously changing in the short term").</p> <p>Source(s) of assurance regarding progress with mitigating the risk:</p> <p>Management assurance.</p>	<p>O&S - None.</p> <p>IA Review - None.</p>

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Financial Resilience - Risks associated with austerity and the financial challenges facing BCC

No.	Description - risk / issue	Current level of risk L/I	Current actions / Comments	Long term aim for the risk - including actions, timescales and target risk rating	Overview & Scrutiny (O&S) Review / Work & Internal Audit (IA) Work
22	<p>Risk of fines from HMRC for Directorates employing long term consultants.</p> <p>Lead: Chief Operating Officer Strategic Services Owner: Nigel Kletz</p> <p>Nominated for deletion</p>	Low / Medium	<p>Lead Director comment</p> <p>A revised process has been implemented for the engagement of off payroll 'Individuals' in April 2017 which has resulted in a significant increase in compliance.</p> <p>HR and CPS are working collaboratively to ensure compliance by cascading the process through DMT's and monitoring engagements centrally within the CPS compliance team. No orders are released until the manager has completed all the required approval documentation.</p> <p>Directorates have completed HMRC ESS tests on a number of roles being carried out by personal service companies; and a number of individuals are being pay rolled by the Council or their relevant agencies.</p> <p>Report provided monthly to identify / monitor the engagement of any individuals / consultant companies.</p> <p>Procedure reviewed September 2017 and updated to include appointment of interim JNC Officers. Procedure will be published on the Intranet and included in Manager updates. There are still a small number of appointments being made before governance arrangements are in place both from a recruitment and procurement perspective. This is being brought to the attention of Chief Officers and is monitored on a monthly basis by CPS / HR. All interims / consultants are being pay rolled by either BCC or their agencies, if subject to IR35 regulations.</p>	<p>Target risk rating: Low / Medium</p> <p>Anticipated date of attainment of the target risk rating: September 2017.</p> <p>Source(s) of assurance regarding progress with mitigating the risk:</p> <p>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.</p> <p>HMRC have reviewed the protocol and were satisfied that a robust process is in place and have indicated they will be reviewing the operational effectiveness in the Spring.</p> <p>A review group has been established to review the new proposals being introduced with regard to off payroll engagements by HMRC from April 2017.</p> <p>From 6 April 2017 all interims / consultants engaged directly via their personal services company will be paid by BCC Payroll, if HMRC ESS test indicates that they fall within the legislative changes. Agencies who manage interim / consultancy engagements are expected to payroll these individuals; and the Council will be seeking assurance from agencies that this is being completed.</p>	<p>O&S - None.</p> <p>IA Review 2017/18: Engagement of Individuals - Application of HMRC Rules F/Up.</p>

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Political - Risks driven by the political agenda

No.	Description - risk / issue	Current level of risk L/I	Current actions / Comments	Long term aim for the risk - including actions, timescales and target risk rating	Overview & Scrutiny (O&S) Review / Work & Internal Audit (IA) Work
19	<p>Failure to deliver the Council's localisation agenda and commitments made in the Council's Improvement Plan and Leaders Policy Statement.</p> <p>Lead: Corporate Director, Place Owner: Chris Jordan</p>	Low / Medium	<p>Lead Director comment</p> <p>The Improvement Panel have assessed progress in relation to the specific prescriptions made on localisation through the independent Lord Kerslake report and commitments made against this in the Council's Improvement Plan in September 2015 and January 2016. The feedback from this has been positive. In particular all direct recommendations have been actioned including the transfer of delegations away from district committees and the delineation of a new role for district committees. Services are now accountable to cabinet portfolios and management. The remit for district committees around neighbourhood challenge and community planning has been embedded effectively. Policy guidance for this was agreed by cabinet in July 2015 and development undertaken with members in five sessions over July to October, with delivery of outcomes currently live within 2016/17. Delivery against this has been performance managed through the Future Council Local Leadership sub programme board meeting fortnightly. This has now moved to business as usual.</p> <p>The next phase of local leadership / political governance is being shaped through the newly formed Cabinet Committee Local Leadership.</p> <p>Four Assistant Leaders have been given responsibility to review local working with a focus on 'every place matters' and 'delivering differently in neighbourhoods'. A clear timetable has been set out for their work and how this ties into the changing landscape for ward and district committees.</p>	<p>Target risk rating: Low / Medium</p> <p>Anticipated date of attainment of the target risk rating: Attained.</p> <p>Source(s) of assurance regarding progress with mitigating the risk:</p> <p>Management assurance as detailed in Lead Director comment - Scrutiny Report in January 2013.</p> <p>Cabinet Committee Local Leadership has been meeting monthly since July 2016 and now has accountability for progressing this agenda. The Neighbourhood Operating Model is now one of the formal transformation programmes feeding into the CLT Performance and Transformation Board.</p>	<p>O&S - The Corporate Resources O&S Committee has completed a piece of work around district and ward arrangements. This includes a review of arrangements put in place in May 2015 and options for the future development of devolution. The Neighbourhood & Community Services O&S Committee completed a review of the Neighbourhood Challenge. Recommendations were made to the Leader. The Corporate Resources and Governance OSC questioned Assistant Leaders at their meeting in January 2017.</p> <p>IA Review - None.</p>

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Technology					
No.	Description - risk / issue	Current level of risk L/I	Current actions / Comments	Long term aim for the risk - including actions, timescales and target risk rating	Overview & Scrutiny (O&S) Review / Work & Internal Audit (IA) Work
16	<p>That web services to customers or work with partners may be disrupted by malicious attacks on the City Council's web based services.</p> <p>Lead: Chief Operating Officer Strategic Services Owner: Peter Bishop</p>	Significant / Medium	<p>Lead Director comment</p> <p>Service Birmingham (SB) on behalf of the Council:</p> <ul style="list-style-type: none"> Continuously scan the information security landscape with partners to detect upcoming and new vulnerabilities which could be exploited by potential hackers. This ensures that SB are aware of all risk posed by different intrusion methods. Have updated the Councils firewalls and introduced Intrusion Prevention Services as part of the firewall implementation. This means 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 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 Councils web sites from attackers and the contract is currently being renewed. Have implemented the PSN walled garden which has enhanced the security of all users accessing web based government systems. PSN services have been remodelled and are currently being monitored to ensure secure transmission. <p>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.</p>	<p>Target risk rating: Low / Medium</p> <p>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.</p> <p>Source(s) of assurance regarding progress with mitigating the risk:</p> <ul style="list-style-type: none"> The Council are now transmitting sensitive data securely through the PSN secure infrastructure together with the improvements / enhancements made to the firewalls. BCC has successfully passed its PSN accreditation. 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. The observations made in the PSN have been addressed. A Program of work has been initiated to move systems that require upgrading to be compliant into a DMZ. Post the release of the Eternal blue exploits, enhanced scanning has been implemented, and a number of issues with legacy applications (not managed by the core IT contract), have been identified (Continuum / Tills / Building environmental control). The 3rd parties have been engaged to address. 	<p>O&S - Referenced in the Scrutiny Inquiry 'Refreshing the Partnership: Service Birmingham' (presented to Council in June 2015).</p> <p>IA Review 2016/17: Web Page Security F/Up.</p>

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Technology					
No.	Description - risk / issue	Current level of risk L/I	Current actions / Comments	Long term aim for the risk - including actions, timescales and target risk rating	Overview & Scrutiny (O&S) Review / Work & Internal Audit (IA) Work
				In light of the latest Cyber-attacks and recent news (http://www.businessbritainmedia.co.uk/gloucester-city-council-fined-100000-cyber-attack/) we are writing the requirements to initiate an IBR to define our 'Security Architecture and Enterprise Security Approach' this will mitigate this issue as a required output will be a Security (including Cyber) Framework and Investment Strategy (and plan) – planned date of 1 st December 2017.	
14	<p>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.</p> <p>Lead: Chief Operating Officer Strategic Services Owner: Peter Bishop</p>	Medium / Significant	<p>Lead Director comment</p> <p>New project governance arrangements are in place across the Council and will be further refined to align with the changes to the partnership with Service Birmingham.</p> <p>In addition the transition from Service Birmingham will see the Council rebuilding its in house ICT function to ensure it has the appropriate skills. This work is currently planned but it is anticipated the approach will be phased.</p>	<p>Target risk rating: Low / Significant</p> <p>Anticipated date of attainment of the target risk rating: December 2018.</p> <p>Source(s) of assurance regarding progress with mitigating the risk:</p> <p>As described in the ICT& Digital strategy 2016-2021 - Governance Theme; a new governance framework has been implemented. This will be furthered enhanced by the introduction of a design authority / enterprise architecture function that will provide understanding of how the complete organisation operates in terms of its customers, the business and how it employs IT&D.</p> <p>Enterprise Architecture is a coherent and complete set of principles, methods and models that are used in the design and a realisation of an enterprise's organisational structure, business processes, information systems, and infrastructure.</p>	<p>O&S - Completed Scrutiny Inquiry 'Refreshing the Partnership: Service Birmingham' (presented to Council in June 2015). A progress report on implementation of the recommendations was considered at the April & September 2016 meetings of the Corporate Resources O&S Committee.</p> <p>IA Reviews 2016/17: IT Project Governance F/Up, IT Service Management F/Up, IT Project Governance -2017. IT Project review - ChildView Hub.</p> <p>IA Review 2017/18: IT Procurement.</p>

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Technology					
No.	Description - risk / issue	Current level of risk L/I	Current actions / Comments	Long term aim for the risk - including actions, timescales and target risk rating	Overview & Scrutiny (O&S) Review / Work & Internal Audit (IA) Work
17	<p>Ineffective Corporate Risk Marker IT solution.</p> <p>Lead: Chief Operating Officer Strategic Services Owner: Chris Gibbs</p>	Low / Medium	<p>Lead Director comment</p> <p>The Corporate Risk Marker solution in SAP CRM system is defective and the data harmonisation to service areas is not working as specified.</p> <p>Whilst a more long term solution is investigated as part of the updating of the Councils e-forms package, an interim solution is being investigated to see if the data warehouse held within the Councils Audit Division can offer the required functionality to enable this risk to be at least partially mitigated.</p> <p>Note: Access to the information will only be available to those members of staff who can access the data warehouse.</p> <p>To progress the managing of the risk marker a workshop was held on 11th October 2017, for the lead officers of each directorate, together with relevant officers from Health & Safety, to seek a solution to this risk.</p>	<p>Target risk rating: Low / Medium</p> <p>Anticipated date of attainment of the target risk rating: Attained.</p> <p>Source(s) of assurance regarding progress with mitigating the risk:</p> <p>Management assurance.</p> <p>Currently the data warehouse pulls in the risk markers from CRM, Housing, MAPSS and CareFirst. Any user of the warehouse that searches a relevant name or address will have the respective risk markers presented to them. The risk markers not only relate to health and safety but child / vulnerable adult safeguarding too.</p> <p>The Audit team are in the process of creating an Intelligence Network across the City for anyone who has an investigative, enforcement or regulatory element to their role; or are likely to have some contact with the public.</p> <p>Council Tax, Business Rates and Rents have a risk marker on their respective systems; this risk marker is extracted and added to the data warehouse.</p> <p>Monitoring the use of the IT system by Corporate Safety Services.</p>	<p>O&S - None.</p> <p>IA Review - None.</p>

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Transformation					
No.	Description - risk / issue	Current level of risk L/I	Current actions / Comments	Long term aim for the risk - including actions, timescales and target risk rating	Overview & Scrutiny (O&S) Review / Work & Internal Audit (IA) Work
7	<p>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.</p> <p>Lead: Chief Operating Officer Strategic Services Owner: Claire Ward</p>	Significant / Significant	<p>Lead Director comment</p> <p>Collective agreement has been reached on a package of measures that will secure required reduction in the cost of employment for 2017/18, 2018/19 and 2019/20. This has greatly diminished the likelihood of action on a widespread basis.</p> <p>There are some proposals in the 2017/18 s188 Notice that might generate localised disputes & potential action and poor attendance / performance challenges.</p> <p>Council wide attendance levels are marginally improving.</p> <p>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.</p>	<p>Target risk rating: Low / Medium</p> <p>Anticipated date of attainment of the target risk rating: Ongoing.</p> <p>Source(s) of assurance regarding progress with mitigating the risk:</p> <p>This year the significant budget reductions have strained industrial relations.</p> <p>However, continued active engagement, consultation and negotiations with the trades unions will be pursued, and their understanding of the challenges will contribute to mitigating and managing this.</p> <p>Expert HR and legal support is being provided to areas experiencing significant employee relations challenges relating to service redesign and headcount reduction.</p> <p>Business continuity and contingency plans in key areas are under regular review.</p>	<p>O&S - The Corporate Resources OSC received an update from the Deputy Leader and senior HR officers at a briefing in September 2017.</p> <p>IA Review - None.</p>

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Transformation

No.	Description - risk / issue	Current level of risk L/I	Current actions / Comments	Long term aim for the risk - including actions, timescales and target risk rating	Overview & Scrutiny (O&S) Review / Work & Internal Audit (IA) Work
10	<p>Not responding fully and effectively to the recommendations made in the Kerslake Report and implementing the Future Council Programme.</p> <p>Lead: Interim Chief Executive Owner: Angela Probert</p>	Medium / Significant	<p>Lead Director comment</p> <p>In its most recent letter to the Secretary of State, published on 9th November 2016, the Birmingham Independent Improvement Panel recognised that the Council has made progress in addressing many of its own improvement priorities and handled effectively some unexpected external events and challenges.</p> <p>The Panel also noted that focused activity has enabled the Council to further address some of the outstanding recommendations from Lord Kerslake's review.</p> <p>Council of the Future (Future Council phase 2); has 3 'big moves' - areas with clear ownership and leads for delivery.</p> <ol style="list-style-type: none"> 1. Key transformations - for example Children's Trust. 2. 'Budget Big Tickets' - the implementation of our key budget 'high risk' proposals. 3. Service Improvement - for effective organisation. <p>Governance arrangements established in January 2017.</p>	<p>Target risk rating: Low / Significant</p> <p>Anticipated date of attainment of the target risk rating: Review April 2017, following January - April highlight reports which should evidence progress and reduce the risk rating.</p> <p>Source(s) of assurance regarding progress with mitigating the risk:</p> <p>There was a report to the Birmingham Independent Improvement Panel in Autumn 2016.</p> <p>Corporate Programme Management Office (PMO) established to build governance assurance and aid visibility. New CLT Performance and Transformation and Budget 'Big Ticket Boards' established to track implementation of key budget proposals.</p> <p>Corporate standard templates introduced. .</p> <p>Programme / Project Plan - Gantt chart of key deliverables to achieve savings / benefits and resources required to deliver the plan.</p> <p>Risk and Issue Registers.</p> <p>Stakeholder and Communication Plan.</p>	<p>O&S - The Corporate Resources O&S Committee and Neighbourhood & Community Services O&S Committee completed work on reviewing governance arrangements at district level, including the Neighbourhood Challenge.</p> <p>There is a Member Development Programme in place and the Corporate Resources O&S Committee received an update on the work completed to date at its Sept 2016 meeting. A further update will be brought to that committee.</p> <p>IA Review - None.</p>

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Transformation

No.	Description - risk / issue	Current level of risk L/I	Current actions / Comments	Long term aim for the risk - including actions, timescales and target risk rating	Overview & Scrutiny (O&S) Review / Work & Internal Audit (IA) Work
18	<p>Failure to adequately identify the costs and benefits of alternative delivery models 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.</p> <p>Failure to fully implement the decisions taken to change BCC policy and service delivery to enable delivery of expected benefits / efficiency gains.</p> <p>Lead: Chief Operating Officer Strategic Services Owner: Mike Smith</p>	Medium / Medium	<p>Lead Director comment</p> <p>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.</p> <p>The ADs of Finance will provide support on key projects based on their area of expertise.</p> <p>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 need to evaluate the full circumstances for each delivery option requires a proportionality to it, and due regard for the need for calculated assumptions in order to avoid over-engineering financial modelling based on projected costs.</p> <p>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.</p> <p>These risks need to be managed by the corporate commissioning hub with peer reviews undertaken by Thematic Centres of Excellence and approval via Cabinet.</p>	<p>Target risk rating: Medium / Medium</p> <p>Anticipated date of attainment of the target risk rating: Attained.</p> <p>Source(s) of assurance regarding progress with mitigating the risk:</p> <p>Management assurance - reports to CLT, notes and actions from Corporate Commissioning Board agenda. Dialogue with directorate lead commissioners. Finance to be involved in commissioning reviews.</p> <p>Additional resources to support commissioning recruited (internally) to support the commissioning approach. Commissioning Toolkit in place.</p> <p>Risk will be managed on a case by case basis through proper use of the Toolkit, and through reviews supported by the ADs of Finance.</p> <p>A checklist developed by AD Finance (Strategy) will continue to be used to ensure proper evaluation and appraisal of decision making reports.</p> <p>Corporate Commissioning Board will provide the governance for new delivery models and commissioning strategies.</p> <p>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.</p>	<p>O&S - Corporate Resources and Governance O&S Committee undertaking overview of procurement strategy for DCFM services.</p> <p>IA Reviews 2016/17: Acivico Contract Monitoring - Overall delivery of Contract and Contracts & Procurement Summary Report 2015/16. Acivico Contract Monitoring - Final Accounts Process.</p> <p>IA Review 2017/18: Acivico Review of Business Continuity Arrangements.</p>

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Transformation					
No.	Description - risk / issue	Current level of risk L/I	Current actions / Comments	Long term aim for the risk - including actions, timescales and target risk rating	Overview & Scrutiny (O&S) Review / Work & Internal Audit (IA) Work
				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.	
20	<p>Allowance payments.</p> <p>Lead: Chief Operating Officer Strategic Services Owner: Claire Ward</p>	Medium / Medium	<p>Lead Director comment</p> <p>The bulk of unpaid allowances claims have been successfully managed by Legal Services on a case by case basis, with outstanding claims being considered and managed by Legal Services on the same basis.</p> <p>As new case law is decided challenges to payments have arisen including:</p> <ul style="list-style-type: none"> • Holiday pay - has now been addressed. • Sleeping in allowance - case law remains ambiguous so at this point all claims are on hold. • Travel time - currently a subject of internal challenge, but may become a matter for Employment Tribunal. <p>An assessment of claims is made and as appropriate defended or settled dependent on legal advice.</p> <p>There is a clear policy and monitoring framework regarding the application of regular overtime.</p> <p>A new standard Flexi scheme has been developed as part of the Future Council workforce Contract.</p>	<p>Target risk rating: Medium / Medium</p> <p>Anticipated date of attainment of the target risk rating: Attained.</p> <p>Source(s) of assurance regarding progress with mitigating the risk:</p> <p>Management assurance.</p> <p>All new claims for allowances are being assessed on their merits and defended wherever practical.</p> <p>Use of overtime is being monitored on a monthly basis, with Strategic Directors taking responsibility for addressing any areas of concern.</p> <p>A new universal Flexi scheme was introduced as part of the new contract of employment in September 2017.</p> <p>There is a Governance Board monitoring any potential high risk claims.</p>	<p>O&S - None.</p> <p>IA Review - None.</p>

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Removed Risks:

Ref No.	Risk description	Reason for removal	Date removed
13	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	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	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	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	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	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	Failure to progress the Highways Public Finance Initiative (PFI).	The PFI contract was signed on 7 May 2010.	July 2010
15	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	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
17	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	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

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Ref No.	Risk description	Reason for removal	Date removed
3	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	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	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	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	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	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	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	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
27	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	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	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

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Ref No.	Risk description	Reason for removal	Date removed
9	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	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	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	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	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	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
5	Safer recruitment.	Had been at target level of risk for over 12 months, will be managed locally in future.	July 2013
36	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	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	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	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

Corporate Risk Register Update for Audit Committee November 2017

Ref No.	Risk description	Reason for removal	Date removed
1d	Failure to successfully settle pay & grading and allowances equal pay claims.	The issues will be addressed within risks 1a - 1c & 44.	July 2014
26	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	Delivery of new Public Health responsibilities.	All of the actions relating to the transition of Public Health have been actioned.	July 2014
20	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
25	Production of timely & accurate IFRS Final Accounts.	The accounts were submitted on 30 th June 2014.	November 2014
51	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	Insufficient resources (finance & people) to agree / deliver the change programme.	Cabinet approved a report on 20 th 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	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	PSN resubmission.	The Council has successfully retained PSN submission till April 2016.	July 2015
2015/16.27	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	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

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Ref No.	Risk description	Reason for removal	Date removed
2015/16.10a	Resolution of contractual issues in the Highway Maintenance & Management PFI contract.	A commercial settlement signed on 18th December 2015, resolved a number of contractual issues.	March 2016
2015/16.29	Risk of Court deciding against the Council regarding the Homeless Service.	The High Court dismissed the four applications for Judicial Review.	March 2016
21 (old 35)	IT refresh / update.	The desktop refresh is progressing as business as usual, and PSN compliance means that we cannot have unsupported applications running on our network.	July 2016
23 (old 59)	Risk of enforcement action and fines of up to £500,000 by the Information Commissioners Office (ICO) for failure to comply with the 40 day timescale for responding to Subject Access Requests (SARs).	There has been considerable improvement in responding to Subject Access Requests. The Information Commissioner's Office is happy with the progress being made and are no longer monitoring the Council.	November 2016
8 (old N/A)	Risk of challenge regarding implementation of the Younger Peoples Re-Provision Programme.	The work stream is now closed, and efficiency and savings targets have been transferred to the Maximising Independence of Adults (MIA) Board.	March 2017
9 (old 57)	Failure to respond fully and effectively to the issues from recent reviews concerning school governance and related matters.	A much improved performance culture and set of arrangements are now in place for the Council's education services.	March 2017
13 (old 28)	Not planning appropriately for the on-going reduction in government grants.	This is an annual risk, but there are processes in place to manage it.	March 2017
24 (old N/A)	That the need to address the updated Pensions Deficit will result in an increase in employer contributions.	This risk crystallised in the setting of the 2017/18+ budget. The information received has been fully taken into account in the update of the Council's medium term financial plan, and in the development of savings proposals.	March 2017
28	Risk that in its early stages of delivery the Sustainability Transformation Plan (STP) will not alleviate the financial position of social care.	The Council budget from April 2017 does not make assumptions regarding this proposal contained in the previous year's budget; and is no longer a major financial risk to the organisation.	July 2017

