

Brighton & Hove City Council

Audit & Standards Committee

Agenda Item 49

Subject: Strategic Risk Focus Report: SR2, SR24, SR29, SR15, SR13 and SR37

Date of meeting: 19th April 2022

Report of: Executive Director, Governance, People and Resources

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Ward(s) affected: All

For general release

1. Purpose of the report and policy context

- 1.1 To report to the Audit & Standards Committee on the latest quarterly update to the city council's Strategic Risk Register (SRR).
- 1.2 The Committee have agreed to focus on specific strategic risks (SRs) at each of their meetings. For this meeting there are five SRs to receive focus and to enable Members' questions to be asked there will be attendance by Risk Owners as detailed below:

The Chief Finance Officer (CFO) in respect of:

SR2 The Council is not financially sustainable.

SR24 The council is unable to provide an effective welfare support response to households facing financial hardship.

SR29 Procurement non-compliance and ineffective contract performance management leads to sub-optimal service outcomes, financial irregularity and losses, and reputational damage.

The Executive Director of Families, Children & Learning (EDFCL) in respect of:

SR15 Not keeping children safe from harm and abuse.

The Executive Director of Health & Adult Social Care (EDHASC) in respect of:

SR13 Not keeping adults safe from harm and abuse.

SR37 Adverse impact on health outcomes and business continuity from high levels of Covid transmission and outbreaks in the city.

2. Recommendations

That the Audit & Standards Committee:

- 2.1 Note the SRR detailed within Table 1 of this report.
- 2.2 Note Appendix 1 the CAMMS Risk report with details of the five SRs and actions taken ('Existing Controls') and actions planned.
- 2.3 Note Appendix 2 which provides:
 - i. a guide on the risk management process;
 - ii. guidance on how Members might want to ask questions of Risk Owners, or officers connected to the strategic risks; and
 - iii. details of opportunities for Members, or officers, to input on Strategic Risks at various points and levels.
- 2.4 Make recommendations for further action(s) to the relevant council body.

3. Context and background information

- 3.1 The city council's SRs are reviewed quarterly by the Executive Leadership Team (ELT) taking on board comments from quarterly risk reviews carried out at Directorate Management Teams. This process ensures the currency of the city council's SRR.
- 3.2 The Audit & Standards Committee has a role to monitor and form an opinion on the effectiveness of risk management and internal control.
- 3.3 The initial risk score takes account of the existing controls in place to mitigate the risk (current score). The revised risk score assumes that all risk actions are successfully delivered (target score). The 'likelihood' (L) score ranges from Almost Impossible (1) to Almost Certain (5) and the 'impact' (I) score ranges from Insignificant (1) to Catastrophic (5). These scores are multiplied to give the risk score.
- 3.4 At ELT's review of the SRR on 26th January 2022, the following amendments to the SRR were agreed:
 - i. **SR18** The organisation is unable to deliver its functions in a modern, efficient way due to the lack of investment in and exploitation of technology.
Agreed: Change Risk Owner from Director of Human Resources & Organisational Development to Executive Director of Governance, People & Resources (GPR).
Reason: There have been changes in structure due to the merge of Strategy, Governance & Law and Finance & Resources directorates

into GPR directorate so the IT&D service now report into the Executive Director of GPR.

- ii. **SR24** In the context of Covid-19 the needs and demands for services arising from the changing and evolving landscape of Welfare Reform is not effectively supported by the council.
Agreed: Reword risk title to “The council is unable to provide an effective welfare support response to households facing financial hardship.”
Reason: Welfare reform is now ‘Business-As-Usual’, but there is still a considerable corporate risk relating to welfare financial support in the current context within our statutory duty.
- iii. **SR37** Not effectively responding to and recovering from COVID-19 in Brighton and Hove including building resilience for future pandemics
Agreed: Reword risk title to “Adverse impact on health outcomes and business continuity from high levels of Covid transmission and outbreaks in the city.”
Reason: The description is a more explicit about the adverse impacts from Covid and to have a more cross-organisational response to mitigating this risk.
- iv. No new risks were proposed or agreed.

3.5 There are still 13 Strategic Risks. The risk heat maps and Table 1, below, shows the current 13 Strategic Risks in order of the highest Target Risk Score, which takes account of future actions to reduce or mitigate the risks.

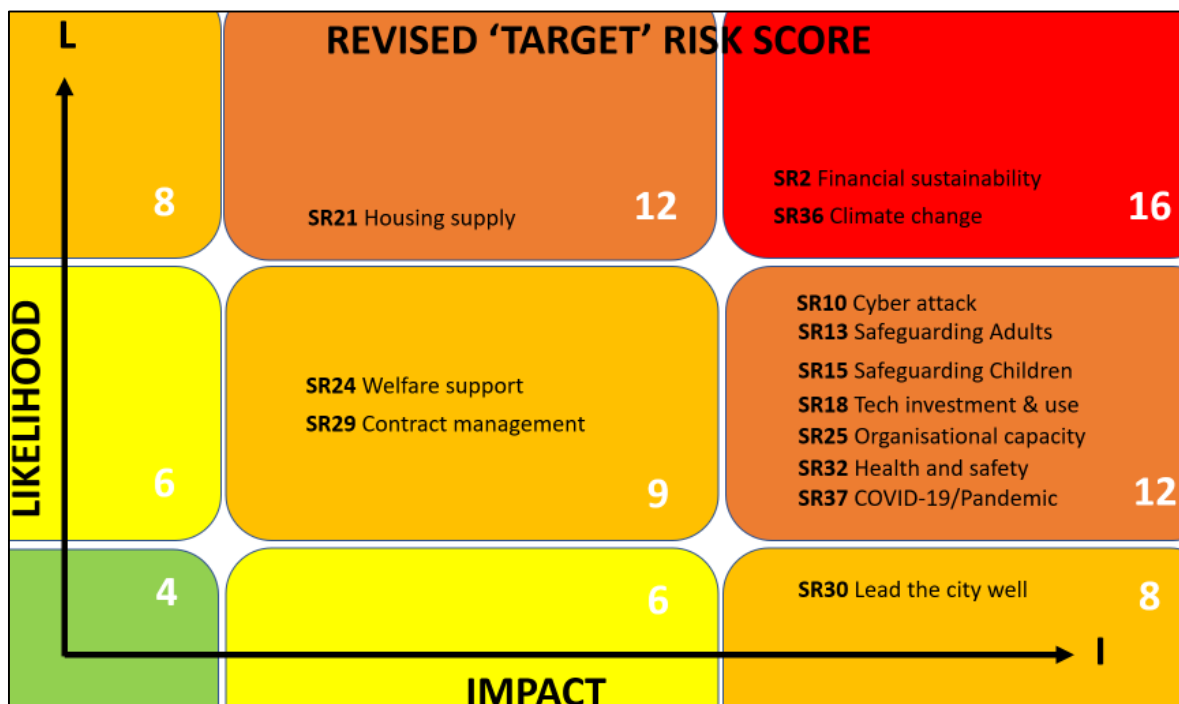


Table 1



























Risk No.	Risk Title	Current Risk Score Likelihood (L) x Impact (I) & Direction of Travel (DOT)	Target Risk Score Likelihood (L) x Impact (I) & Direction of Travel (DOT)	Committee (s)	Risk Owner
SR 2	The Council is not financially sustainable	5 x 4 ◄►  RED	4 x 4 ◄►  RED	Policy & Resources Committee	Chief Finance Officer
SR 36	Not taking all actions required to address climate and ecological change and transitioning our city to carbon neutral by 2030	4 x 5 ◄►  RED	4 x 4 ◄►  RED	Environment, Transport & Sustainability Committee	Executive Director, Economy, Environment & Culture
SR 37	Adverse impact on health outcomes and business continuity from high levels of Covid transmission and outbreaks in the city	4 x 4 ◄►  RED	3 x 4 ◄►  AMBER	Health & Wellbeing Board and Policy & Resources (Recovery) Sub- Committee	Executive Director, Health & Adult Social Care
SR 32	Challenges in ensuring robust & effective health & safety measures, leading to personal injury, prosecution, financial losses, or reputational damage	4 x 4 ◄►  RED	3 x 4 ◄►  AMBER	Policy & Resources Committee	Director Human Resources & Organisational Development
SR 18	The organisation is unable to deliver its functions in a modern, efficient way due to the lack of investment in and exploitation of technology	4 x 4 ◄►  RED	3 x 4 ◄►  AMBER	Policy & Resources Committee	Executive Director, Governance, People & Resources
SR 25	Insufficient organisational capacity or resources to deliver all services as before and respond to changing needs and changing circumstances	4 x 4 ◄►  RED	3 x 4 ◄►  AMBER	Policy & Resources Committee	Chief Executive
SR 13	Not keeping adults safe from harm and abuse	4 x 4 ◄►  RED	3 x 4 ◄►  AMBER	Health & Wellbeing Board	Executive Director, Health & Adult Social Care

Table 1

Risk No.	Risk Title	Current Risk Score Likelihood (L) x Impact (I) & Direction of Travel (DOT)	Target Risk Score Likelihood (L) x Impact (I) & Direction of Travel (DOT)	Committee (s)	Risk Owner
SR 15	Not keeping children safe from harm and abuse	4 x 4 ◄►  RED	3 x 4 ◄►  AMBER	Children, Young People & Skills Committee	Executive Director Families, Children & Learning
SR 10	Corporate information assets are inadequately controlled and vulnerable to cyber attack	4 x 4 ◄►  RED	3 x 4 ◄►  AMBER	Policy & Resources Committee	Chief Executive
SR 21	Unable to manage housing pressures and deliver new housing supply	4 x 4 ◄►  RED	4 x 3 ◄►  AMBER	Housing Committee	Executive Director, Housing, Neighbourhoods & Communities
SR 24	The council is unable to provide an effective welfare support response to households facing financial hardship	4 x 3 ◄►  AMBER	3 x 3 ◄►  AMBER	Policy & Resources Committee	Chief Finance Officer
SR 29	Procurement non-compliance and ineffective contract performance management leads to sub-optimal service outcomes, financial irregularity and losses, and reputational damage	3 x 4 ◄►  AMBER	3 x 3 ◄►  AMBER	Policy & Resources Committee	Chief Finance Officer
SR 30	Not fulfilling the expectations of residents, businesses, government and the wider community that Brighton & Hove City Council will lead the city well and be stronger in an uncertain environment	3 x 4 ◄►  AMBER	2 x 4 ◄►  AMBER	Policy & Resources Committee	Chief Executive

4. Analysis and consideration of alternative options

- 4.1 Through consultation with ELT the Risk Management process currently in operation was deemed to be the most suitable model.

5. Community engagement and consultation

- 5.1 This is an internal risk reporting process and as such no engagement or consultation has been undertaken in this regard.

6. Conclusion

- 6.1 The council must ensure that it manages its risks and meets its responsibilities and deliver its Corporate Plan, risk management is evidence for good governance.

7. Financial implications

- 7.1 For each Strategic Risk there is detail of the actions already in place ('Existing Controls') or work to be done as part of business or project plans ('Risk Actions') to address the strategic risk. Potentially there may have significant financial implications for the authority either directly or indirectly. The associated financial risks are considered during the Targeted Budget Management process and the development of the Medium Term Financial Strategy

Name of finance officer consulted: Rob Allen Date consulted: 22/03/2022

8. Legal implications

- 8.1 All the Strategic Risks which are reported to the Audit & Standards Committee may potentially have legal implications. Members are referred to Appendix 1 of this Report for a detailed description of the Strategic Risks being focused on in this Committee cycle: a description which normally makes reference to any legal implications of a direct nature.
- 8.2 The Council has delegated to its Audit & Standards Committee its powers and duties in relation to risk management. As a result this Committee is the correct body for considering this Report.

Name of lawyer consulted: Victoria Simpson Date consulted: 23/03/2022

9. Equalities implications

- 9.1 Risk Owners are requested to ensure that equalities implications are considered in describing strategic risks, their potential consequences and when developing mitigating actions and the Equalities Team are asked to review the strategic risks. This will continue to be part of regular ELT & DMT risk review sessions. SR25 has a key focus on equalities through the Our People Promise strategy, specifically through the Fair and Inclusive Action Plan and the Corporate and Directorate Equalities Delivery Groups.

9.2 SR24, SR13, SR15 and SR37 all have a key focus on outcomes for people with safeguarding, health, social and welfare needs in the city.

10. Sustainability implications

10.1 Risk owners are requested to consider sustainability implications, and this will continue to be part of regular ELT & DMT risk review sessions. SR36 has a key focus on sustainability through the Carbon Neutral Modernisation Programme and any sustainability implications of a direct nature are normally referenced within the risk.

11. Other Implications

11.1 None

Supporting Documentation

1. Appendices

1. Appendix 1: CAMMS Risk report SR2, SR24, SR29, SR15, SR13 and SR37
2. Appendix 2: A guide on the risk management process and how Members might want to ask questions of Risk Owners in relation to Strategic Risks.

