

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO AUDIT COMMITTEE

8 AUGUST 2019

REPORT OF THE INTERIM HEAD OF FINANCE

CORPORATE RISK ASSESSMENT

1. Purpose of Report.

- 1.1 The purpose of the report is to provide the Audit Committee with an update on the changes to the Corporate Risk Assessment, in accordance with the Council's risk management timeline that is contained in Appendix 2 of the Council's Risk Management Policy.

2. Connection to Corporate Plan / Other Corporate Priority.

- 2.1 This report assists in the achievement of the following corporate priority/priorities:
 - Smarter use of resources – ensuring that all its resources (financial, physical, human and technological) are used as effectively and efficiently as possible and support the development of resources throughout the community that can help deliver the Council's priorities.

3. Background.

- 3.1 Good governance requires the Council to develop effective risk management processes, including an assessment of corporate risks.
- 3.2 The Audit Committee's Terms of Reference requires the committee to review, scrutinise and issue reports and recommendations on the appropriateness of the Council's risk management, internal control and corporate governance arrangements.
- 3.3 The Corporate Risk Assessment is considered and reviewed by the Corporate Management Board, Senior Management Team and Audit Committee, as part of the Council's quarterly Corporate Performance Assessment framework, and is used to inform the Overview and Scrutiny Committees' Forward Work Programme and the budget process.
- 3.4 The 2019-20 Corporate Risk Assessment is aligned with the Council's Medium Term Financial Strategy and Corporate Plan.
- 3.5 The 2019-20 Corporate Risk Assessment was reported to Audit Committee on 17 January 2019.

4. Current situation / proposal.

- 4.1 The risk assessment at **Appendix 1** has been reviewed in consultation with Corporate Management Board and the Senior Management Team. It identifies the

main risks facing the Council, their link to the priority themes, the likely impact of these on Council services and the wider County Borough, what is being done to manage the risks and who is responsible for the Council's response. The changes are as follows:

- **Risk 1 - There is a risk that the Council is unable to make robust medium to long term decisions requiring service change**

Cabinet and Corporate Management Board have met regularly as part of the budget planning process for 2020-21 and beyond. This has focused not only on the immediate requirement for an estimated £10 million savings for 2020-21 but also on discussion to begin to shape a long-term strategy based on projected savings over the next 3-4 years.

The likelihood score has reduced from 3 to 2 giving a revised risk score of 10.

- **Risk 2 - There is a risk that the Council is unable to deliver transformation including agreed financial savings**

Further development of a "One Council" culture and transformational change has progressed. A review of Council processes has meant that some deemed unnecessary and bureaucratic have ceased whilst full compliance with those that remain is required. The Chief Executive's Directorate is being embedded to provide a coordinated and efficient corporate support service. The human resources / organisational development review will ensure that managers are given the correct training to meet current challenges.

The likelihood score has reduced from 3 to 2 and the impact score has also reduced from 3 to 2 giving a revised risk score of 4.

- **Risk 3 – There is a risk that the Council is unable to respond to legislative change**

There are no changes to this risk.

- **Risk 4 - There is a risk that the Council is unable to identify and deliver infrastructure required in the medium to long term**

Council agreed a revised Capital Strategy 2019-20 to 2028-29 on 20 February 2019. This sets out agreed capital spending plans for the next 10 years.

The likelihood score has reduced from 3 to 2 giving a revised risk score of 10.

- **Risk 5 - There is a risk that the Council is unable to meaningfully engage with Health Board and potential LGR boundary changes to ensure that the needs of the Bridgend community are fairly recognised in any subsequent changes**

The risk description has been changed to "there is a risk that the Council is unable to manage the transitional year of Health Board and LGR boundary changes to ensure that the Bridgend community is fairly recognised in any subsequent changes".

- **Risk 6 - There is a risk that the Council fails to safeguard vulnerable individuals e.g. children, adults in need of social care, homeless etc**

The full range of Safeguarding activities was reported to Overview and Scrutiny Committee on 3 July 2019.

Cabinet and Corporate Management Board have agreed a Youth Offending Service action plan. Rapid improvement will be made before an anticipated inspection in six months time.

The likelihood score has reduced from 3 to 2 giving a revised risk score of 10.

- **Risk 7 - The Council is unable to plan for and recover from major threats to service continuity such as civil emergencies, school failure, cyber-attack and discontinuation of funding streams and major contracts**

These threats are being monitored on an ongoing basis.

The likelihood score has reduced from 4 to 3 and the impact score has also reduced from 4 to 3 giving a revised risk score of 9.

- **Risk 8 - There is a risk that the Council is unable to attract or retain a workforce with the necessary skills to meet the demands placed upon the authority and its services**

Following the staff survey, a range of actions has been implemented to improve staff engagement, receive feedback and shape learning and development programmes.

The likelihood score has reduced from 3 to 2 giving a revised risk score of 8.

- **Risk 9 - There is a risk that important Council services are compromised due to the failure of a key service**

The situation continues to be monitored on an ongoing basis. Dialogue with some major suppliers e.g. Kier is required and contingency planning has been progressed.

The likelihood score has increased from 2 to 3 whilst the impact score has reduced from 4 to 3 giving a revised risk score of 9.

5. Effect upon Policy Framework & Procedure Rules.

- 5.1 There are no implications upon policy framework and procedural rules.

6. Equality Impact Assessment

- 6.1 Equality issues permeate many of the risks identified and where appropriate equality impact assessments are completed within the process of approving the mitigating actions.

7. Wellbeing of Future Generations (Wales) Act 2015 Implications.

7.1 The well-being goals identified in the Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives because of this report.

8. Financial Implications.

8.1 There are no financial implications directly associated with the Corporate Risk Assessment. Implementation actions will be progressed within approved budgets.

9. Recommendation.

9.1 That Members consider the changes to the Corporate Risk Assessment and receive a further report in January 2020 concerning the 2020-21 Corporate Risk Assessment and review of the Corporate Risk Management Policy.

Gill Lewis
Interim Head of Finance
8 August 2019

Contact Officer: Roger Martin
Risk Management & Insurance Officer

Telephone: (01656) 643318

E-mail: roger.martin@bridgend.gov.uk

Postal Address Raven's Court, Brewery Lane, Bridgend CF31 4AP

Background documents

None