

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO THE AUDIT COMMITTEE

19 NOVEMBER 2015

REPORT OF THE CORPORATE DIRECTOR RESOURCES

THE CORPORATE RISK ASSESSMENT 2015-16

1. Purpose of Report.

1.1 The Audit Committee oversees risk management within the Council. The purpose of this report is to inform the Audit Committee of amendments to the Risk Management Policy and procedures and also the changes made to the 2015-16 Corporate Risk Assessment which have arisen out of the quarterly reviews undertaken during the year.

2. Connection to Corporate Improvement Objectives/Other Corporate Priorities

2.1 The report links to the following corporate priorities:

- Working together to make the best use of our resources
- Working together to help vulnerable people to stay independent
- Working together to raise ambitions and drive up educational attainment
- Working together to develop the local economy
- Working with children and families to tackle problems early
- Working together to tackle health issues and encourage healthy lifestyles.

3. Background.

3.1 Good governance requires the Council to develop effective risk management processes, including an assessment of corporate risks.

3.2 The Council adopted its Risk Management Policy in 1998 which is currently reviewed and revised on an annual basis.

3.3 The Audit Committee's Terms of Reference requires the Committee to review, scrutinise and issue reports and recommendations on the appropriateness of the Authority's risk management, internal control and corporate governance arrangements.

3.4 The 2015-16 Corporate Risk Assessment was agreed by Corporate Management Board on 22 December 2014, Audit Committee on 15 January 2015 and is fully aligned with the Council's Medium Term Financial Strategy which was approved by Council on 25 February 2015.

3.5 In accordance with the Council's Corporate Risk Management Policy, it is a requirement that the Corporate Risk Assessment is considered and reviewed by Senior Management Team, Cabinet and Audit Committee, and is one of the components reviewed as part of the Council's quarterly Corporate Performance Assessment framework.

4. Current situation / proposal.

- 4.1 As part of a review of the current Risk Management Policy, Corporate Management Board decided that it would be more appropriate for risk management tasks and responsibilities to be undertaken by Senior Management Team (SMT).

The purpose of this change is to engage with a wider group of senior officers:

- Who have a greater day to day involvement with the risks
- Who are potentially in a better position to know what new risks are within Directorates that should be escalated to the Corporate Risk Assessment
- Have a better understanding of specific risk mitigation measures and the impact that they will have in controlling the outcomes of risks.

The Corporate Risk Management Policy now identifies that the role of the SMT is to:

- “Scan the horizon” for new risks to the Council and the County Borough.
- Provide a view on the medium to long term impacts of Government policy, financing, business transformation and partnership working
- Have oversight of the production of the annual risk assessment
- Consider the risk assessment at quarterly reviews throughout the year.

- 4.2 The Corporate Risk Assessment has been reviewed and updated by SMT and the updated document is attached as **Appendix 1**. It identifies the main risks facing the Council, the likely impact of these on Council services and the wider County Borough, what is being done to manage the risks and allocates responsibility for the Council’s response.

- 4.3 During the course of the quarterly reviews of the risk assessment the Risk Management & Insurance Officer now links in with the Corporate Performance and Integrated Partnership Team to review the directorate performance dashboards to ascertain what risk areas are highlighted. This change in procedure will be captured in the next review of the Risk Management Policy.

- 4.4 The principal changes throughout 2015 have been as follows:

- Using Resource Effectively

The risk description has been updated noting that the draft settlement for 2016-17 would normally be announced by Welsh Government in October. However, this year the comprehensive spending review will not be announced until the end of November meaning that the settlement from Welsh Government will not be known until December. This means that the Medium Term Financial Strategy timetable will be significantly compressed.

The risk impact column notes that the Council expects to have to make revenue budget reductions totaling £49.592m from 2016-17 to 2019-20.

The risk mitigation measures have been updated because Cabinet is reviewing its Improvement Priorities to bring renewed focus upon them. These will inform the

allocation of resources in the Medium Term Financial Strategy period 2016-20. Prioritisation may be afforded to specific budget areas which deliver against the new priorities.

- Welfare Reform

The risk description has been changed to reflect further reforms which are being brought forward by the UK Government and Universal credit which is being implemented in the County Borough from June 2015.

The risk impact column reflects the numbers of households impacted by the reforms. Initially 1,466 households were affected by the bedroom cap. This has since reduced to 1,241 which is 29% of the total Housing Association benefits recipients. The Benefits Services continues to work closely with Housing Associations to support people affected by the bedroom cap. 82 households are affected by the income cap of which 56 are affected by less than £50 per week. The total number of households in the County Borough is around 59,000.

The risk mitigation measures column confirms that the Benefits Service works closely with Housing Associations to support the people affected by the caps by identifying those that are exempt from it, providing debt and money management advice and in qualifying cases awarding Discretionary Housing Benefit payments. The grant for payments in 2015-16 is £252,060. It also identifies the support services provided by the Council to claimants and DWP Universal Credit staff.

The residual risk score has been reduced to recognise the reduction in the proportion of persons affected by the reforms and work undertaken to prepare for the implementation of Universal Credit.

- Local Government Reorganisation

The risk description has been updated noting that in June 2015 Welsh Government announced its preference for the future shape of Local Government in Wales. This included a reduction in the number of councils to eight or nine with Bridgend merging with Rhondda Cynon Taff and Merthyr Tydfil. The Local Government (Wales) Bill was agreed by the Assembly on 20 October 2015. This enables the next Welsh Government to proceed with voluntary mergers of authorities after the Assembly election. The Bill does not allow for compulsory mergers and a further Bill has been proposed for these.

The risk mitigation measures note the economic benefits of being part of the proposed Cardiff Capital Region City Deal which the proposed merger would facilitate and that whilst there is uncertainty, the Council will continue to collaborate with a range of partners on a pragmatic basis, but will not do anything that would make a future merger harder.

- Supporting Vulnerable People

The risk description has been updated to recognise the increasing demand placed upon the Council for Dementia Services. It has been identified that need will double between 2001 and 2030.

The risk mitigation measures have been updated because the Social Services and Wellbeing (Wales) Act 2014 is being fully implemented. This is supported by a workforce development programme which puts in place regional learning and development arrangements to ensure that all staff are well trained.

The Learning Disability project is delivering a wide range of positive outcomes. These include the development of social enterprises, providing access to range of activities, access to help and support via technology, new models of tenancy support and a resettlement programme from residential homes to supported living.

The remodeling homecare implementation plan is on track for December 2015. Homecare is delivering fewer hours than planned which indicates that preventative services are working.

Independent residential care providers have been helped by the production of a Regional Quality Framework for their sector. It gives providers knowledge of the level of care expected.

The Council has been leading on the procurement of a national community care information system that supports both health and social care. This will allow professionals across different organisations to access and share information. This mitigation measure also impacts the Supporting Vulnerable Children, Young People and Their Families risk below.

- Economic Climate and Austerity

The risk mitigation measures have been updated to reflect the current position of regeneration projects. In Bridgend the Rhiw will be regenerated bringing footfall and vitality to the town centre. A development land programme for key sites in the Llynfi valley has been agreed with Welsh Government and in Porthcawl the Townscape Heritage Initiative is now underway and buildings, structures and open spaces are being restored.

- Supporting Vulnerable Children, Young People and Their Families

The risk impact has been changed to reflect the reduction in the number of Looked After Children from 412 to 389.

The risk mitigation measures have been updated to include the provisions of the Social Services and Wellbeing (Wales) Act 2014 as they impact Looked After Children. They have also been updated to take account of the significant re-structure of the Family Intervention Services which was completed in March 2015 creating three Early Help locality hubs to work with families in a more joined up way. A range of professionals are co-located in each of the hubs to support a whole system approach to ensuring that the needs of all our children and young people will be met at the earliest opportunity. In addition a central hub of specialist Family Support Services has been created. These initiatives will help continue to safely reduce both the numbers of Looked After Children and children on the Child Protection Register.

The Council is ensuring that robust mechanisms are in place to identify and provide appropriate services to children at risk from child sexual exploitation (CSE).

Practitioners have either received child sexual exploitation training or are part of an ongoing programme to enhance their knowledge. The council is part of a focused multi-agency agency child sexual exploitation task force including Police and ABMU Health.

The residual risk score has been reduced to recognise the reduction in the number of Looked After Children.

- Disposing of Waste

The risk description has been changed because a new kerb side collection service will commence in two years' time. This will deliver improved performance but in the meantime it is a challenge to maintain momentum behind the existing scheme.

The risk mitigation measures note that a report has gone to Overview and Scrutiny Committee discussing options for the future. This, together with findings from WRAP Cymru will inform a report to Cabinet which will make recommendations for the future of kerb side collection.

BCBC and Swansea CBC, under the South West Wales hub have procured an Anaerobic Digestion facility provided by Biogen. An interim contract of 2 years has been let commencing on 1 August 2015. A business case for a longer term contract is being prepared.

A tender has been let to allow an operator to provide residual waste handling facilities. The waste will continue to be received at the MREC but may or may not be dealt with there, depending on the proposals received. Possible providers are currently considering the MREC facility and their response to the tender.

- Healthy Lifestyles

The risk mitigation measures have been changed to emphasise the link between the work of the Sport, Play and Active Wellbeing service and the challenge of the Social Service and Wellbeing (Wales) Act with the focus on prevention and wellbeing interventions that reduce the need for higher cost support in the future. A number of encouraging indicators are noted, including that the number of visits to HALO facilities was 5.6% higher in 2014-15 than they were in 2011-12.

- Maintaining Infrastructure

The risk description has been changed because the Local Government Borrowing Initiative has come to an end and reductions must be found in the Highways budget.

The risk mitigation measures note that the Local Government Borrowing Initiative has made improvements to the highway infrastructure but that now it has ended there will inevitably be deterioration in the proportion of roads that are in a satisfactory condition.

- Collaboration with Partners

The risk mitigation measures have been changed to reflect that the Local Service Board has reviewed its priorities and its structure, reducing the number of its

delivering boards from 11 to 5. The review has resulted in a renewed focus for the Local Service Board, clearer priorities and the development of flagship projects which clearly demonstrate how they contribute to achieving the desired outcomes.

- Educational Attainment

The risk description has been changed to include the need for a narrowing in the attainment gap between vulnerable pupils and others.

The impact column notes the potential gap in achievement between pupils from vulnerable groups such as those with Free School Meals, Looked After Children, CIN and Special Educational Needs and other pupils.

The risk mitigation measures refer to the work that the Council does in conjunction with partners in helping Governors be effective in providing challenge to the schools, including working with the Bridgend Governors Association to develop a strategy to roll out a Governor Improvement Group for the County Borough and to implement greater self-evaluation via the development of a self-evaluation action plan.

- Health and Safety

This is a new risk. On 20 April 2015 the Senior Management Team received the Health and Safety Manager's report on 'Health and Safety Gap Analysis' and upon consideration of the report decided that the risk should be escalated to the Corporate Risk Assessment.

The risk description describes the Council's duties and identifies that there are areas where there can be improvement in some health and safety arrangements.

The risk impact column identifies a number of effects of failure including injury, ill-health or loss of life to employees or members of the public and the sanctions and effects on services that might follow.

The risk mitigation measures include the completion of the gap analysis surveys with the results being cascaded to all management tiers across all Directorates. The Directorates will then develop Health and Safety action plans and risk registers. Managerial competencies will be assessed and further training given where needed. Performance will be monitored through Corporate Performance Assessment (CPA) and Corporate Management Board (CMB).

The inherent risk has been scored by the Health and Safety Manager with a likelihood of 5 and an impact of 4. The application of the risk mitigation measures will not lessen the impact if an incident occurs but will reduce the likelihood of it taking place. Consequently after the application of the mitigation measures the likelihood has been assessed at 3 giving a residual score of 12.

- 4.5 The other risks, impacts and mitigation measures have been reviewed and brought up to date where necessary.
- 4.6 The outcome of the 2016-17 Corporate Risk Assessment and review of the Risk Management Policy will be reported to Audit Committee on 28 January 2016.

5. Effect upon Policy Framework & Procedure Rules.

5.1 None as a direct consequence of this report.

6. Equality Impact Assessment

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

7. Financial Implications.

7.1 There are no financial implications directly associated with the risk assessment. Actions planned to mitigate each risk are required to be progressed within approved budgets.

8. Recommendation.

8.1 That Members consider the changes to the Corporate Risk Assessment that have been made during 2015 and receive a further report in January 2016 concerning the 2016-17 Corporate Risk Assessment and review of the Risk Management Policy.

**NESS YOUNG
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Background documents

None