

Corporate Risk Register

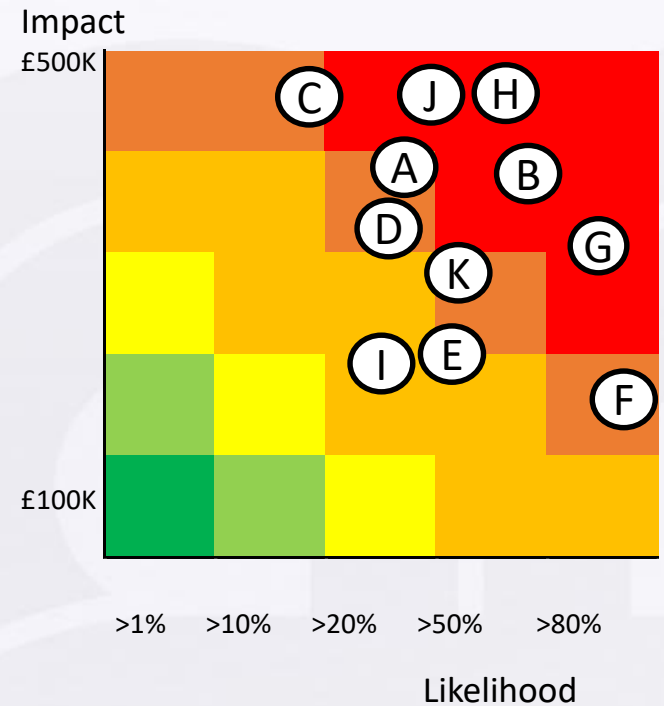
November 2020



Corporate Risk Register Heat Map

November 2020-2021

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|------------------------------|---|
| Financial | A. Budget Overspend |
| | B. Failure to Deliver Planned Savings |
| | C. Financial pressures arising from the COVID-19 pandemic |
| Service Delivery/Operational | D. Workforce Resilience |
| | E. Digital Strategy |
| | F. Brexit |
| | G. Shortfall in the Housing Revenue Account |
| | H. Lack of supply of affordable accommodation |
| | I. Demand for Services |
| | J. Cyber Attacks |
| Stakeholder | K. Contract Management |



Risk Register(1/6)

Cause, event, consequence

Risk and Trend (cause, event, consequence)	Recent developments, progress and concerns	Actions (names and dates)
<p>A. Budget Overspend</p> <p>Demand for services could increase to levels higher than expected without warning, this would mean that services would be overspent resulting in other efficiencies having to be made or funding be found from elsewhere in the council.</p>	<p>There is a strong culture of budget management and the council as a whole has not overspent for five years. There is a structure and system in place to ensure that individual budget managers review their financial position, with results aggregated up to departmental and corporate level and reported quarterly to CMT and Cabinet.</p> <p>A fundamental review of the Medium Term Financial Strategy (MTFS) was agreed by Council in February 2020 for the period 2020/21 to 2022/23. As part of this review, sensitivity analysis and scenario modelling was undertaken on all aspects of the MTFS, including income assumptions, expenditure assumptions and savings assumptions.</p> <p>However, following the outbreak of COVID-19, a further review of the MTFS has been undertaken to identify the future impact of COVID-19 on income assumptions (primarily income from businesses rates and council tax income and sales, fees and other charges) and expenditure assumptions (primarily recurring pressures on new and existing council services). This review was presented to Cabinet in July 2020 and will be incorporated into the budget setting process for 2021/22.</p>	<p>To be addressed through the budget setting process for 2021/22.</p>
<p>B. Failure to Deliver Planned Savings</p> <p>Savings proposals could be subject to delays and unforeseen issues, this would mean that services would be overspent and that we would be unable to manage demand, resulting in other efficiencies having to be made or funding be found from elsewhere in the council.</p>	<p>Brent has a good record of strong financial and budget management, with the majority of savings being delivered on time and implementing mitigating actions if there is slippage in delivery. The council monitors the delivery of planned savings, and mitigating actions where relevant, on monthly basis and reported quarterly to CMT and Cabinet.</p> <p>Following the outbreak of COVID-19, a review of 2020/21 savings is being undertaken on a monthly basis. The most recent update suggests most of the savings can still be delivered, albeit not this financial year, and that for other savings, mitigating actions can be implemented. In addition, the Council has implemented an efficiency drive to generate £5m of one off in year savings/underspends to mitigate the impact of the non delivery of savings.</p>	<p>Ongoing budget monitoring regime.</p> <p>Incorporate in the budget setting process and include in CMT/PCG discussions.</p> <p>Identify an action plan</p>

Risk register (2/6)

Cause, event, consequence

Risk and Trend (cause, event, consequence)	Recent developments, progress and concerns	Actions (names and dates)
<p>C. Financial pressures arising from the COVID-19 pandemic</p> <p>Obtaining additional resources could be limited or subject to delays, this could mean that services would be overspent and that we may be unable to manage demand, resulting in other efficiencies having to be made or funding be found from elsewhere in the council.</p>	<p>Estimated pressures of £37.4m identified for 20/21 with net government funding covering £25.1m, leaving a gap of £12.3m.</p> <p>Gap to be further reduced by:</p> <ol style="list-style-type: none"> 1. Estimation of Sales/Fees/Charges Income Loss support claimed from government. 2. In year departmental underspend target of £5m. <p>Focus is now on implications on the 21/22 budget and MTFs.</p>	<p>Lobbying to Government for additional resources will continue at the political level. Reallocation of earmarked reserves to be considered if gap is not closed in 20/21.</p> <p>The 21/22 Budget setting process has started and will continue through the autumn with departments considering proposals to meet the estimated gap.</p>
<p>D. Workforce Resilience</p> <p>Due to the circumstances and pressures of the Covid pandemic staff welfare and ability to continue to deliver at the highest levels may be adversely effected leading to impaired performance.</p>	<p>The prolonged crisis, including the second wave, has placed significant pressure on staff, including senior staff leading on the response to the pandemic locally. The pandemic seems unlikely to be brought under control until at least the next financial year, even with the recent good news about vaccines. Action has been taken to understand the impact on staff and to provide support:</p> <ul style="list-style-type: none"> • Wellbeing surveys have been undertaken. • All staff have been provided with access to equipment for home working and a Covid risk assessment and other support through the Occupation Health Service and Health and Safety. • All staff have access to the council's employee assistance programme and additional specialist counselling support has been put in place for some categories of staff • We have promoted online resources to support staff with 	<p>Senior Management vigilance and regular communications to update staff (on-going).</p> <p>Act on the outcomes of the most recent wellbeing survey (Head of Transformation/Head of HR – November/December 2020)</p> <p>Further wellbeing surveys (Head of Transformation – periodic)</p>

Risk register (3/6)

Cause, event, consequence

Risk and Trend (cause, event, consequence)	Recent developments, progress and concerns	Actions (names and dates)
<p>E. Digital strategy</p> <p>There is a risk that due to poor planning and resource the Digital Strategy and Programme is not delivered to budget, and as a result does not meet business requirements and benefits are not realised.</p>	<ul style="list-style-type: none"> The programme has a clear strategy and roadmap and a programme management team is in place with work overseen by the Customer and Digital Board which meets bi-monthly. Governance arrangements have also been strengthened at the programme delivery and project level to reflect the scaling up of the programme following agreement of the second business case for investment Programme spend is also overseen by the Corporate Landlord Board which reports to the Capital Programme Board. An audit of the Digital Programme returned a 'reasonable' rating and a review has confirmed that all recommendations have been implemented. A range of work has taken place to strengthen the approach to benefits management and realisation. 	<p>Continue to embed approach to benefits management</p> <p>Continue to review and adapt governance arrangements to support the programme as it evolves</p> <p>Sadie East Head of Transformation March 2021</p>
<p>F. Brexit - Economic uncertainty/loss of workforce</p> <p>There is a risk that Brexit causes economic uncertainty and impacts on skills and workforce, reducing the Council's ability to develop the local economy and facilitate regeneration, resulting in lower income for the department and stalling regeneration.</p>	<p>Potential impact on EU workforce, slowdown in housing market and economy.</p> <p>Loss of business base and income to council including planning and BC fees.</p> <p>Local businesses impacted by import and export issues.</p> <p>Opportunity for the Council to become more active in property and development, buying up buildings and sites from private sector.</p> <p>The risks pertaining to a 'no-deal' Brexit are being considered and assessed as negotiations are ongoing.</p>	<p>Continue to support local businesses with information to ensure they are aware of the changes required for the end of the transition period.</p> <p>Head of Employment and Skills - ongoing</p> <p>Continue to raise awareness of the EU Settlement Scheme</p> <p>Anne Kittappa Senior Policy Officer 30 June 2021</p>

Risk register (4/6)

Cause, event, consequence

Risk and Trend (cause, event, consequence)	Recent developments, progress and concerns	Actions (names and dates)
<p>G. Shortfall in the Housing Revenue Account</p> <p>There is a risk that the increase in financial hardship from Covid-19, Government restrictions in enforcement against residents with longstanding debt, combined with changes to welfare and benefits provision may result in non-payment which will lead to a shortfall in the Housing Revenue Account.</p>	<p>There is a current estimated impact of £2 million in rent loss for the HRA due to Covid-19 which has significantly affected rent collection rates. Additionally, Brent is recorded to have one of the highest increase in people now claiming universal credit following significant changes in circumstances and employment following Covid-19. Whilst restrictions remain in place enforcement action cannot be taken against those who choose not to pay or have a long history of not-paying.</p>	<p>Continue working with individuals who have been genuinely impacted by covid-19 to minimise debts e.g. resident support fund, benefit advice and eligibility, affordable repayment plans.</p> <p>Emily-Rae Maxwell</p>
<p>H. Lack of supply of affordable accommodation to meet demand</p> <p>There is a risk that as a result of the limited supply of affordable accommodation and property market slow down, there will not be a sufficient supply to meet the demand from homeless households which would lead to greater reliance on temporary accommodation, which would be an additional burden on the general fund.</p>	<p>The Housing Needs Team is working with i4B and the Housing Partnerships Team to increase the supply of affordable accommodation for households on low income or dependent on benefit. The Council has also joined the pan London housing initiative – Capital Letters, to increase the supply of PRS accommodation that is made available for homeless households in Brent, as well as amending the Allocation Scheme to enable referrals to be made to private accommodation leased by a social landlord to end the main homelessness duty.</p> <p>Update Oct 2020 - The recent economic downturn, related to the Covid pandemic, has resulted in a significant increase in unemployment. This in turn will lead to households accruing rent arrears and facing homelessness, resulting in an increase in demand. The Housing Needs Service are working with colleagues across the council to identify households who are accruing debt, in order to proactively make contact and offer assistance at an earlier stage, to mitigate the impact.</p>	<p>No additional actions identified at this time</p> <p>Laurence Coaker</p>

Risk register (5/6)

Cause, event, consequence

Risk and Trend <i>(cause, event, consequence)</i>	Recent developments, progress and concerns	Actions <i>(names and dates)</i>
<p>I. Demand for Services</p> <p>The level of demand for services grows beyond services' ability to manage effectively – growth in LAC, Care Leavers, SEND demand and complexity of presenting issues children and young people's mental health and wellbeing and as a result service quality deteriorates, budgets overspent, safeguarding issues emerge; staff retention problems.</p>	<p>Review of activities to focus on core service delivery/retaining operational changes implemented during Spring/Summer 2020 COVID-19 pandemic; Service redesign eg establishment of Family Wellbeing Centres; review of high cost placement commissioning arrangements.</p>	<p>Head of Forward Planning, Performance and Partnerships; Head of Inclusion; Head of Early Help; Head of Localities</p> <p>Ongoing</p>
<p>J. Cyber Attack</p> <p>There is a heightened threat of Cyber attack, if they were successful this would potentially impact all services, to the extent that they would be unable to provide a service in the first instance, data may be published online and ICO significant fines result, this would have significant reputational damage to the Council</p>	<p>A number of Councils have been subject to Cyber attacks, the Cabinet Office are advising that there is a heightened security risk level at the current time. The protections in place for the Council, to prevent an intrusion are considered high however, recent experience has been attacks on backups. Brent have implemented additional controls around the backup process, including taking and storing of off line backups for added security. If the Council were subject to an attack restoring from the backups would take a considerable amount of time and there is a risk to some applications, which may not be recoverable.</p>	<p>An investment case is being submitted to CMT to implement a state of the art back up secure solution.</p> <p>Managing Director of the Shared Technology Services.</p> <p>31 December 2020</p>

Risk register (6/6)

Cause, event, consequence

Risk and Trend <i>(cause, event, consequence)</i>	Recent developments, progress and concerns	Actions <i>(names and dates)</i>
<p>K. Contract management</p> <p>There is a risk that due to operational, commercial, environmental or relationship issues, an important, high profile front line service may start to fail causing reputational problems for the council.</p>	<p>Contract management framework/ pack reviewed revamped and updated.</p> <p>New Contract training module created and sessions undertaken with Children’s and Young People commissioners and more recently at the Commissioning Network in November 20.</p> <p>New Risk Assessment Tool developed.</p> <p>Gateway 3 – Contract review template created and signed off. This is conducted at the mid-term period of a contract valued above £2m and assesses if suppliers are adhering to the performance KPIs / outcomes set out in the contract and if we should be looking to invoke the extension clauses when they come up.</p>	<p>Contracts register to be finalised in December. This will be used to inform future commissioning intentions and review contractual performance midway through key contracts.</p> <p>Procurement will work with Directorates to conduct a segmentation exercise prior to any new procurements and undertake retrospective segmentation for existing high spend contracts, with the latter to be completed by April 21.</p> <p>Internal Audit are currently conducting a review of contract management processes.</p> <p>Rajesh Shori Head of Procurement April 2021</p>