

Strategic Risk Register

May 2022



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1. Risk evaluation matrix

The following impact and likelihood criteria is used to evaluate and articulate the Council's Strategic Risks.

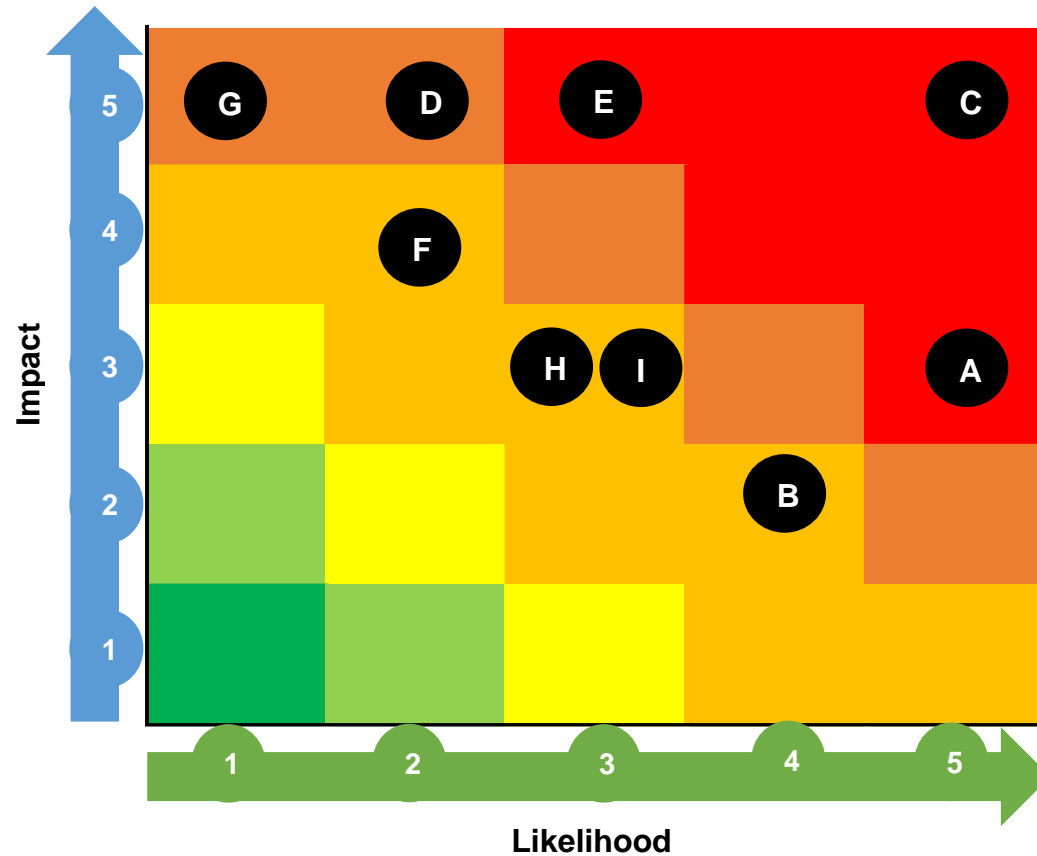
Risk Impact Matrix				
Impact	Financial	Service Delivery	Health and Wellbeing	Reputation
5	Major Financial loss (above £2m)	Major disruption to a number of critical services	Multiple deaths / serious life-changing injuries / extreme safeguarding concerns.	Long term damage – e.g. adverse national publicity.
4	Significant Financial loss (above £1m)	Major disruption to a critical service.	Multiple casualties with life changing injuries / significant safeguarding concerns.	Medium to long term damage – e.g. adverse local publicity.
3	Moderate Financial Loss (less than £1m)	Moderate disruption to a critical service	Moderate risk of injury / noticeable safeguarding risks.	Medium term damage
2	Small Financial loss (less than £500k)	Moderate disruption to an important service.	Low level injuries / safeguarding risks.	Short term damage
1	Minor financial loss (less than £100k)	Brief disruption to important service	No immediate impacts to health or wellbeing	Some damage to specific functions

Risk Likelihood Matrix		
5	Very Likely	This event is expected to occur in most circumstances.
4	Likely	There is a strong possibility this event will occur.
3	Possible	This event might occur at some point and/or there is history of occurrence of this risk at this and/or other Councils.
2	Unlikely	Not expected, but there's a slight possibility it may occur at some point.
1	Rare	Highly unlikely, but it may occur in exceptional circumstances. It could happen, but probably never will.

2. Strategic Risk Heat Map

Ref Risks

- A. Cost of living crisis
- B. Increased demand from migration and people movement
- C. Increase in Dedicated Schools Grant High Needs Block (HNB) Deficit
- D. Lack of supply of affordable accommodation
- E. Cyber Attacks
- F. Failure to Deliver Planned Savings
- G. Budget Setting
- H. Recruitment and Retention
- I. Contract Management



3. Summary of Strategic Risks (risk per page)

Key: Cause, event, consequence

A. Cost of living crisis									
Risk Summary	Recent Developments, Progress and Concerns	Previous Risk Score			Updated Risk Score			Forward Trend Comments	
		I	L	T	I	L	T		
<p>The cost of living crisis caused by rising rates of inflation, National Insurance, and fuel/energy costs, may result in more families and households to fall into poverty and unemployment, which may lead to increased level of service demand on the Council and place additional pressure on front-line services.</p>	<p>The Brent Resident Support Fund (RSF) is a discretionary support fund available to Brent residents who are in financial difficulties, for example struggling with food, utility bills and other household essentials. For 2021/22, the RSF budget was £3million.</p> <p>The government announcement of 3 February 2022 regarding Energy Bills Rebate included provision for most properties in council tax bands A to D to receive a £150 rebate payment. It is estimated that the total amount paid could be up to £14.5m at full take-up. The announcement also made provision for local authorities to create a fuel rebate discretionary scheme to support some properties in bands E to H. The government have provided funding of £1,933,800 allowing the Council to establish a scheme to support bill payers not eligible under the main scheme for properties in bands A to D.</p> <p>A cross-Council Cost of Living Crisis Group has been set-up to look at the impact of the crisis across all services and to ensure a joined-up approach.</p> <p>A Food and Fuel Poverty Toolkit has been prepared which contains links and signposts to various organisations to support residents. Staff and Members have been briefed and trained on this and it has been presented at departmental management teams and relevant services.</p> <p>A Financial Inclusion Dashboard is in place which draws together data from across various datasets, including council tax support and benefits. This is used to identify residents who may need targeted supports (i.e. in arrears). It also provides a strategic oversight for senior management.</p>	n/a – new risk				3	5	15	n/a – new risk
Action Plan		CMT Sponsor: Strategic Director Customer and Digital Services							
<ol style="list-style-type: none"> Further enhance the Financial Inclusion Dashboard by introducing additional datasets to help identify residents in need of targeted support. To use the Food and Fuel Poverty Toolkit to prepare a leaflet to be sent to all residents signposting them to various organisations that can provide support. To continue to roll-out training regarding the Food and Fuel Poverty Toolkit crisis toolkit to partners and the third-sector. A report will be taken to Cabinet for approval in June 2022, outlining all the measures currently in place and other planned actions to be taken by the Council. The report will also seeks approval for additional funding for RSF for three years from 22/23. 									

B. Increased demand from migration and people movement

Risk Summary	Recent Developments, Progress and Concerns	Previous Risk Score			Updated Risk Score			Forward Trend Comments
		I	L	T	I	L	T	
<p>There is a risk that a sustained increase in migration and movement of people could result in increased demand on the Council's critical front-line services (including housing, education and looked after children), which may result in service deterioration, financial pressures and also impact on the wider cohesion of the community.</p>	<p>The Council continues to experience increased service demands and pressures due to the increased levels of migration and movement of people.</p> <p>Ukraine: The Government has announced the Ukrainian Nationals can come to the UK if they have an immediate family member who is living here with leave to remain. The Government is currently processing almost 300,000 VISA applications from Ukrainians. Most of these are likely to be women and children. As at 1 March 2022, as well as immediate family members, British nationals and people of any nationality settled in the UK are being supported to bring Ukrainians with no ties under a Community Sponsorship Scheme to the UK. Normal requirements for salary or language tests will be waived. The sponsor will provide housing and integration support. The Voluntary and Community Sector (VCS) in Brent is strong, with many faith groups actively supporting communities. The new sponsorship scheme brings an independent ability for the VCS and Faith sector to increase the Ukrainian population. There is also the potential for pan London organisations to sponsor families and impact on us locally. We are expecting the Government to announce a support package for Ukrainian refugees.</p> <p>Asylum Seekers: Brent has an existing population of around 570 asylum seekers in three hotels in Wembley. To date, CYP is able to accommodate the required places in our schools. Some of those individuals have presented themselves as Unaccompanied Asylum Seeking Children (UASC). The Council has dealt with over 70 cases and legal currently has 52 live files regarding requests for interim support and accommodation under section 20 Children Act 1989.</p> <p>Afghans Relocation and Assistance Policy (ARAP): The British Government put two schemes in place: The Afghans Relocation and Assistance Policy (ARAP) for those who worked with the British in Afghanistan (and their families) and the Afghan Citizens' Resettlement Scheme for those at risk in Afghanistan. Due to the Afghan community already settled in West London, boroughs in this area are more likely to receive more homeless applications. This puts a disproportionate pressure on Brent and other Local Authorities in this area.</p> <p>A multi-agency migration coordination working group has been set-up, including strategy, housing, public health, community protection, looked after children and legal services, as well as Brent CCG and the Met. police. The Council's website has also been updated with a page to provide information regarding the situation in Ukraine. Meetings have also been called with the multi-faith forum and the voluntary sector.</p>	n/a – new risk	2	4	8	n/a – new risk (however it is anticipated that this risk will continue to increase over the coming months)		
Action Plan		CMT Sponsor: Assistant Chief Executive						
<p>1. To continue to closely monitor the Council's exposure to this risk as the Government continues to announce new schemes.</p>								

C. Increase in Dedicated Schools Grant High Needs Block (HNB) Deficit

Risk Summary	Recent Developments, Progress and Concerns	Previous Risk Score			Updated Risk Score			Forward Trend Comments
		I	L	T	I	L	T	
<p>There is a risk that current deficit will continue to rise due to an increase in the number of children needing Education and Health Care Plans (EHCP). This could have an adverse impact on the ability to meet the needs of pupils who require special educational support and the Council's legal obligation to meet the educational needs of children in the borough. There is also likely to be an adverse impact on the ability to meet the DfE's requirement to produce a balanced DSG budget..</p>	<p>At the end of the financial year 2020/21 the overall DSG deficit due to pressures in the High Needs Block was £10.5m. As a result, cost avoidance is required over the next 5 years. A management plan has been put in place which assumes a slowdown in the growth of EHCPs from 16% to 7% by 2025-26 and assumes that the HNB funding increases by an average of 7% over the next few years that the in-year pressure is likely to reduce from £6.2m in 2020-21 to £1.058m by 2025-26. The forecast for the actions which have been quantified will realise mitigating actions and cost avoidance from £1.7m in 2021-22 to £4.1m by 2025-26. However, although the pressure is forecast to slow down, the cumulative deficit will increase before a reduction occurs which is likely to be by 2024-25.</p> <p>The Department for Education has invited the Council to participate in the Delivering Better Value in SEND support programme. The programme will provided dedicated support and funding to help 55 local authorities with substantial, but less severe, deficit issues to reform their high needs systems. The DBV is a 3-year transformation programme which will include conducting a comprehensive diagnostic process to identify the underlying cost drivers of the high needs system and potential reforms to manage/mitigate these cost drivers more effectively. It is anticipated that this programme will commence in the autumn of 2022.</p>	5	5	25	5	5	25	There has been an increase in DSG funding, however, this is still not sufficient to bring down cumulative deficit.

Action Plan

CMT Sponsor: Strategic Director Children and Young People

To reduce costs to set an in year balanced budget and then start to recover the cumulative deficit through:

1. The introduction of the SEN Support service with the expectation to manage demand, as part of the Graduated Response Programme; improved quality EHCP assessment; and person centred planning and SMART annual reviews. Therefore, young people will be provided with earlier support, thereby reducing the need for an EHCP to trigger additional support. £0.5m has been approved by the Schools Forum for SEN Support and the pilot commenced in September 2021.
2. Looking to establish more SEND provision in the borough as part of the School Place Planning Strategy Refresh, including developing new Additionally Resourced Provisions in the academic year 2022/2023. This will reduce the need for young people to be placed in schools in other boroughs.
3. Ensuring there is full cost recovery from other local authorities that place pupils in Brent special schools including administration and other specific costs. A 5% charge applied on the top-up element for all placing authorities is now effective from September 2021, in recognition of the additional services put into place by Brent. This would generate c£0.04m income in this financial year pro rata.
4. Continued central government lobbying.

D. Lack of supply of affordable accommodation

Risk Summary	Recent Developments, Progress and Concerns	Previous Risk Score			Updated Risk Score			Forward Trend Comments
		I	L	T	I	L	T	
<p>There is a risk that as a result of the limited supply of affordable accommodation, in the PRS, settled Temporary Accommodation (TA) and Social Housing, progress made towards increasing the sufficient supply of accommodation to meet the demand from homeless households could be reversed. This could lead to greater reliance on emergency temporary accommodation, which would have impacts on the wellbeing and quality of life for residents, and also provide an additional burden on the general fund.</p>	<p>In 2012, Brent had 3,176 homeless households living in TA, which was the largest number in the country. By 2018, this number had reduced to 2,450 and it now stands at 1,584. With progress being made on the New Council Homes programme, we believe we will meet the need for 1-3 bedroom properties. The picture is more limited for families in need of a 4+ bed accommodation, where we will believe a significant shortfall will remain.</p> <p>The recent economic downturn related to the Covid pandemic and the cost of living crisis has resulted in many households facing the risk of homelessness. Some of these households are affected by the Overall Benefit Cap, which makes finding alternative private rented accommodation in the borough extra difficult. This means that the families are unable to afford Private Rented Accommodation (at the LHA rate) or settled temporary accommodation, in TA leasing schemes.</p> <p>The greatest control we can exert on the model is building new Council-owned supply, and encouraging RSLs to build what we need. We can also exert control through social housing re-lets/voids, private rented sector offers, and new build social housing. The Team are also working with the affected families to support them to secure work, and so be exempt from the cap, as well as identifying households who are accruing debt, in order to proactively make contact and offer assistance at an earlier stage, to prevent homelessness.</p> <p>The Housing Needs Service are working with Notting Hill Genesis HA, who supply TA through the HAL scheme, to procure more property in the North of Brent, where LHA rates are lower.</p>	5	4	20	5	2	10	Mitigating actions have continued to reduce the likelihood of this risk occurring.
Action Plan		CMT Sponsor: Strategic Director Community and Wellbeing						
<ol style="list-style-type: none"> 1. To continue delivering the NCHP at pace, with a focus on large family homes. 2. To continue to look at additional purchases of street properties that meet specific needs. 3. To continue review and explore options for the building of a new temporary accommodation scheme that would provide an additional 100 units of temporary accommodation. 								

E. Cyber Attacks								
Risk Summary	Recent Developments, Progress and Concerns	Previous Risk Score			Updated Risk Score			Forward Trend Comments
		I	L	T	I	L	T	
<p>There is a heightened threat of Cyber-attacks, 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>The Council achieved Cyber Essentials accreditation in in February 2022, which is a statement of controls in place to mitigate the risk from common cyber threats.</p> <p>Other achievements to date include:</p> <ul style="list-style-type: none"> • Multi factor authentication (MFA) has been implemented for all Office 365 access. • Annual training is mandated for all staff and phishing simulations to both staff and elected members. • Replacement of all end-of-life mobile phones to ensure that mobile phones in use continue to be in support from the vendor, thus receiving security updates. • Monitoring of guidance released from the National Cyber Security Centre and implementing those recommendations where appropriate, such as a new password policy due to be communicated Q1 2022. • Meeting compliance regimes, e.g. Public Services Network (PSN), • Payment Card Industry (PCI) and the Health and Social Care Network. • Incident management – Playbooks have been developed to test and measure our incident response and disaster recovery response capabilities. 	5	3	15	5	3	15	Risk remains stable.
Action Plan		CMT Sponsor: Strategic Director Customer and Digital Services						
<p>1. A back-up solution (Rubrik) has been procured and installed that provides a secure backup data storage solution. The bulk of backup workloads have been migrated, though there are still some email and Oracle database data to migrate, which is in progress.</p>								

F. Failure to Deliver Planned Savings

Risk Summary	Recent Developments, Progress and Concerns	Previous Risk Score			Updated Risk Score			Forward Trend Comments
		I	L	T	I	L	T	
<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>The Council will have delivered total cumulative savings of £196m between 2010 and 2023, and it is clear that over the remainder of the Spending Review period into 2023/24 and 2024/25 further savings will be required. The lack of clarity about the future of local government financing makes it hard to be precise about future financial targets, but the working assumption is that further savings will need to be identified.</p> <p>The Council monitors the delivery of planned savings, and mitigating actions where relevant, on a quarterly basis and these are reported to CMT and Cabinet.</p> <p>As part of the draft budget for 2022/23, savings that were previously agreed were reviewed. The most recent update suggests that the majority of savings are on track to be delivered and that for other savings, mitigating actions can be implemented.</p>	4	4	16	4	2	8	<p>Likelihood reduced as budget agreed which provides more certainty. Savings have formed part of the business plan since February 2021.</p>
Action Plan		CMT Sponsor: Director of Finance						
<ol style="list-style-type: none"> To continue the ongoing robust budget monitoring regime and framework. 								

G. Budget Setting

Risk Summary	Recent Developments, Progress and Concerns	Previous Risk Score			Updated Risk Score			Forward Trend Comments
		I	L	T	I	L	T	
<p>There is a risk that the budget setting process does not account for emerging unknowns, and as a result unrealistic savings targets are set.</p>	<p>Forecasting over the medium term has been, and continues to be, extremely difficult. There is a high level of uncertainty over the medium term due to the delays in funding reforms, single year financial settlements that make long term planning challenging, the continuing impacts of COVID-19 on residents and businesses in the borough and the impact of BREXIT. There is also considerable uncertainty in the economy caused by exceptional factors such as high levels of inflation, particularly for fuel and energy, and the global impact of war in Ukraine. These macro-economic factors together with local changes to demographics and demand-led pressures combine to create significant uncertainty for the Council over the medium term. The significance of the financial challenge cannot be underestimated and measures are being taken to ensure that the Council continues to operate in a financially sustainable and resilient way.</p> <p>A fundamental review of the Medium Term Financial Strategy (MTFS) was agreed by Council in February 2021 for the period 2021/22 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. A further review is planned as part of the 2023/24 budget setting process, which will cover the period 2023/24 to 2025/26 (i.e. the final year of the current administration). This is to ensure the long term financial sustainability of the Council, in order to capture the economic outlook, demand pressures and funding risks in the medium term.</p>	5	2	10	5	1	5	Likelihood reduced as budget agreed for 22/23.
Action Plan		CMT Sponsor: Director of Finance						
<ol style="list-style-type: none"> 1. Risk to continue to be monitored and addressed via the budget setting and MTFS process. 								

H. Recruitment and Retention

Risk Summary	Recent Developments, Progress and Concerns	Previous Risk Score			Updated Risk Score			Forward Trend Comments
		I	L	T	I	L	T	
<p>Failure to recruit and retain sufficient permanent staff to a significant number of posts, including senior managers, leaves services without sufficient and/or sufficiently qualified staff leading to services being impaired and an overreliance on agency/interim staff.</p>	<p>Action continues to be taken to identify 'hard to fill' posts and put in place strategies to address recruitment shortcomings (e.g. Social Workers - Overseas recruitment and new service provided by our managed service provider (MSP) for agency staff in relation to permanent roles).</p> <p>Work continues to take place to identify roles where the new service provided by our MSP may be effective as well as reviewing the success of this new service.</p> <p>A range of potential incentives have also been implemented, including financial supplements that can be applied to 'hard to fill' posts and the Key Worker housing scheme.</p> <p>A number of new 'grow your own' incentives in Learning and Development have also been implemented, including coaching and mentoring programmes, leadership and development programmes, and expanding the upskilling of apprenticeships.</p> <p>Operationally, the new Oracle recruitment system is now in place which makes it easier for Managers to use, but also provides a better and more user friendly experience for applicants.</p> <p>A new arrangement has been agreed with LinkedIn to promote Council adverts and vacancies. Head-hunting also continues via the MSP and external recruitment agencies for specialist/hard to recruit to roles.</p>	n/a – new risk			3	3	9	<p>This is a new risk – however, risk is demonstrating an upward trend owing to a range of contributing factors.</p>
Action Plan		CMT Sponsor: Director of Legal, HR, Audit and Investigations						
<p>1. Ongoing review and implementation of improvements to the recruitment and selection process to improve applicant and candidate experience and reduce the time to fill e.g. changing the requirement for all applicants to undergo a pre-health screening assessment to a risk- based approach.</p>								

I. Contract Management

Risk Summary	Recent Developments, Progress and Concerns	Previous Risk Score			Updated Risk Score			Forward Trend Comments
		I	L	T	I	L	T	
<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>The contract management framework has been 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.</p> <p>A New Risk Assessment Tool has also been developed.</p> <p>There is now a finalised contract register that will be reviewed and updated as new contracts are added.</p> <p>Further segmentation training has been undertaken and has been used in Procurements commencing from July 21, with retrospective segmentation to be completed for all existing high spend contracts.</p> <p>A contract review template was created and signed off for ‘Gateway 3’. 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>	3	3	9	3	3	9	Risk remains stable.
Action Plan		CMT Sponsor: Strategic Director Customer and Digital Services						
<ol style="list-style-type: none"> 1. Continue to review and update the contracts register. 2. Review contracts which are expiring up to Mar 23 to look at the actual spend incurred in the last financial year. 3. Work with the Directorates to review our commissioning intentions to determine if there are any opportunities through decommissioning, economies of scale or bottom line savings that can be delivered to support council objectives for contracts that require re-procuring. 4. Internal Audit are due to complete a review of the Contract Management tools and how effective the Council is contract managing its contracts, the findings and recommendations will be used to feed into this risk summary. 								