REDDITCH BOROUGH COUNCIL

Audit, Governance and Standards Committee   5th March 2025

Quarterly Risk Update Q3 2024/5

Relevant Portfolio Holder	Cllr Ian Woodall Executive Member for Finance
Portfolio Holder Consulted	Yes
Relevant Head of Service	Debra Goodall, Head of Finance and Customer Services
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Wards Affected	All
Ward Councillor(s) consulted	N/A
Relevant Strategic Purpose(s)	Aspiration, work and financial independence
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

1.   SUMMARY

This report sets out Council activity to identify, monitor and mitigate risk.

2.   RECOMMENDATIONS

The Audit, Governance and Standards Committee is asked to consider:

- The present list of Corporate and Departmental Risks and request any additional risks to be considered.

3.   KEY ISSUES

Background

3.1   In 2018/19, an audit of Risk Management provided an assurance level of limited assurance due to weaknesses in the design and inconsistent application of controls. As a result of the audit, a review was commissioned and undertaken by Zurich Municipal to consider the Council's risk management arrangements and to advise of any recommendations. In response to the Zurich review a Risk Management Strategy was produced for both Bromsgrove District Council and Redditch Borough Council.

3.2   A follow-up review was carried out by Internal Audit in March 2021 (Final Report June 2021) with the purpose of identifying what progress had been made against the Risk Management Strategies. At that time there was a lack of evidence that the actions within the Risk Management Strategies had been fully completed and embedded within the Councils and therefore no assurance could be given.

3.3   This is now the ninth cycle of reviewing Corporate and Departmental Risks since the original baselining of Risks in April 2022. Over this period, we have seen:

- Departmental ownership of risks and reviews at Management Teams on a monthly basis.
- Active review, mitigation, and reduction of risks – ensuring they become managed as part of business as usual.
- Updating of the 4Risk System – as the Authorities repository of this information.
- That the Officer Risk Group have actively reduced risk numbers through their work and that a common approach to risk is now being embedded within the organisation.
- That the Risk Level has moved to a **Moderate Assurance** in May 2023.
- A follow up Audit is taking place in the 2024/5 financial year.

3.4   As set out above, the Officer Risk Group contains representatives of all Council departments including: The Deputy Chief Executive, The Building Control Manager, The Human Resources and Development Manager, The ICT Operations Team Leader, The Exchequer Services Manager, The Business Development Manager (Property and Leisure), The CCTV and Telecare Services Manager, The Housing Tenancy & Advisory Manager, The Environmental Services Manager, The Housing Capital Prograsmme and Contracts Manager.

The Definition of a Corporate Risk

3.4   Prior to 2022, the Council had existing Corporate and Departmental Risks. Members of the Risk Board were not sure of the link on how Risks on system had become Corporate in nature.

3.5   The following definition of how Risks move from being "departmental" to being "corporate" in nature was recommended by the Risk Group and approved by CMT.

"For a **Risk** to move from being **Departmental** in nature to being **Corporate** in nature that it *must have significant impact on Councils finances, be cross departmental in nature and/or result in Serious reputational damage.* The Officer Risk Board will vet departmental risks using this definition to move then to Corporate Risks at their quarterly meetings."

3.6   At the June 2022 Officer Risk Board it was agreed that "Green" Departmental Risks should be taken off this list if they have been to two consecutive meetings and mitigating actions have been fully put into place for them. This report takes account of this requirement being nine meetings since the original baseline was reported.

Corporate Risks

3.7   Corporate Risks are summarised in the following table. There have been two additions in relations to the upcoming Devolution/Local Government Reorganisation and also the

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embedding of new Chief Executive and Deputy Chief Executive, both of whom start on the 31st March 2025.In addition to this there have been a number of changes with Financial Pressures (COR10), Resolution of the Approved Budget Position (COR17), Financial Position Rectification (COR20), Delivery of Towns Fund Initiatives (COR22) reducing in RAG rating. There are now five of these Corporate Risks which are classed as RED.

Changes in Corporate Risks from Q4 2023/4 to Q3 2024/5 (rolling 4 Quarter view)

	Pos Q4	Pos Q1	Pos Q2	Pos Q3	Corporate Risk Description
Both	COR 9	COR 9	COR 9	COR 9	Non Compliance with Health and Safety Legislation
Both	COR 10	COR 10	COR 10	COR 10	Decisions made to address financial pressures and implement new projects that are not informed by robust data and evidence
Both	COR 14	COR 14	COR 14	COR 14	Non adherence with Statutory Inspection Policy
Both	COR 15				Impact from Changes to Partner Funding Arrangements
Both	COR 16	COR 16	COR 16	COR 16	Management of Contracts
Both	COR 17	COR 17	COR 17	COR 17	Resolution of the Approved Budget Position
Both	COR 18	COR 18	COR 18	COR 18	Protection from Cyber Attack
Both	COR 19	COR19	COR19	COR19	Adequate Workforce Planning
Both	COR 20	COR20	COR20	COR20	Financial Position Rectification
Both	COR 22	COR22	COR22	COR22	Delivery of Towns Fund, UK SPF Initiatives
Both	COR 23	COR23	COR23	COR23	Cost of Living Crisis
Both	COR 24	COR24	COR24	COR24	New Customer Facing Interface

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Both	COR25	COR 25	COR 25	COR 25	Environment Bill
Both	COR26	COR26			General and Local Election
Both				COR27	Devolution and Local Government Reorganisation
Both				COR28	New Chief Executive/Deputy Chief Exec

Note, Appendix A sets out the complete listing of Departmental Risks. These have been linked to Corporate Risks where relevant.

3.8   **Mitigating factors for the Corporate Risks are:**

Non-Compliance of Health and Safety Data Standard Operating Procedures - SOP (H&S etc) Health and Safety Committee meets regularly H & S training for staff Health checks DSE assessment and reporting software First Aid training in place. Safeguarding Policy and procedures Risk Assessments, updated inspection policy, regular review of policies. Continued updates to Health and Safety Committee Data on intranet. The Council's Health & Safety arrangements are in the process of being audited externally and a report will be forthcoming.

There are 4 departmental risks linked to this corporate risk.

Projects being informed by robust data and evidence –

Executive have now approved an updated Project Management Process and extra resource, based on work initially highlighted by the Audit Task Group work in February 2023. Now that 2025/26 budget has been set, although there is a deficit over the new three year MTFP timescales, this risk has been reduced to "green". This is because there is now far more certainty over the Council's overall financial position following the closure of accounts up to the 2023/24 financial year, the implementation of the new Regeneration and Property Directorate which now manage the Councils highest risk contracts and the governance processes now in place for major contracts.

There is 1 departmental risks linked to this corporate risk.

Non Adherence with the statutory inspection policy - Specialist resource in place to support delivery actions.

- Further review of monitoring arrangements
- Further implementation of insurance recommendations
- Contracts reviewed to ensure suppliers undertake roles
- Training plan developed to ensure staff clear of responsibilities
- Development of robust action plan

There are 11 departmental risks linked to this corporate risk. Should this not be delivered the consequences are significant, including threat to life.

Management of contracts - Procurement Strategy was updated and training provided. Service Protocols, setting out expectations of service user and procurement went live 1st Jan 23 as did NO PO NO PAY and both are being monitored. Reports are going to Executive setting out new requirements in terms of contracting and transparency for the upcoming year as part of the quarterly Finance and Performance Report. The changes to procurement legislation will now take place in February 2025 and processes will be updated accordingly. This remains a key Corporate Risk due to the magnitude of contracts under management but has now moved to Green due to the mitigations in place, although a full review will need to take place in Q4 following the changes in legislation.

There are 5 departmental risks linked to this corporate risk.

Resolution of the approved budget position - MTFP process is now 2 stages and this was followed for the 2023/4, 2024/5 and 2025/6 budgets. The final MTFP contains the S151 Officer's robustness statement which is key to sign off a sustainable budget. The Council had sustainable ongoing budgets over the 3 years periods in the 2024/5 MTFP. Budget Working Groups scrutinise proposals before Executive. Compared to neighbouring Councils and in the opinion of our Bankers, we are in a comparatively strong financial position. Risk has been reduced from Amber to Green following the Delivery of the 2025/26 Tranche 2 budget although that budget is supported by £750k of General Fund Reserves. Although the Local Government Settlement has been poor for District and Borough Councils, the strength of the Councils position means that even with ongoing deficit positions there is scope for investment and adjustment for the 3 year 2026/27 MTFP once announced.

Protection from cyber attack – weekly penetration test, annual PSN Security Audit, regular internal audits, occasional LGA audit, Cyber Insurance requirements. In addition, we have implementing KnowBe4, a software tool for both officers and Members. Cyber Training for Members has been evaluated and now requires rolling out. Cyber Insurance has been extended for a further year but importance and risks in this area have moved this risk to red despite all the mitigations in place. A recent Internal Audit has highlighted possible risk areas across a number of systems which will now require mitigating. One of the mitigations has been dual sign on to systems, even when staff are working from Corporate Buildings. More funding has been put in the 2024/5 and ongoing budgets to allow additional resources to help mitigate the risk. This is a nationwide issue.

There is 1 departmental risks linked to this corporate risk.

Adequate workforce planning - Workforce plan was launched in the summer of 2023 and services now know their high risk areas and working to the agreed action plan to help mitigate workforce risks such as loss of staff. The challenges remain on delivering to these

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high risk areas. There are specific workstreams, linked to Agile Working and Culture, within this initiative. The workforce plan is being integrated into the Council's wider management processes, with monthly board meetings. However more work is required before the Risk level can change.

There are 3 departmental risks linked to this corporate risk.

Financial position rectification - Audit Committee reports set out progress on the financial recovery process back to Executive, Audit & Council. Risk was up-rated to Red due to lack of clarity from the Government over Audit deadlines. An updated S24 Statement was issued in October 2023 and the Councils both hold significant risk in that they will run out of time for the 20/21, 21/22 and 2022/23 Audit processes. The Council have now produced accounts up to the 2023/24 financial year and expect to deliver draft 2024/25 accounts by June 2025. This also means that the actual financial position has now been confirmed although issues still remain as across the sector Audits have not taken place. **This risk has reduced in level**.

Grant Thornton have given "Disclaimer Opinions" for all three years up to 2022/23 as per a letter received in August 2024 and reviewed by this committee. The Council is still onboarding its new Auditors Ernst & Young and until that has been completed an opinion cannot be made on the 2023/24 Accounts.

The Council is now in a similar position to the majority of other Councils in England – for which over 600 Audits up to 2022/3 have received "Disclaimer Opinions.

Delivery of Towns Fund, and UKSPF Projects – There is a monthly project Board overseeing all projects. Formal governance structures for Towns Fund projects. The biggest issue in all these workstreams had been delivery before the funding deadlines. However it is likely that Towns Fund Projects will be given up to a year increase in timescales. The creation of the new Regeneration and Property directorate in August and the transfer of functions back from NWeDR means the Council now has dedicated Project Managers, appointed during the summer, working on these projects which increases overall control.

Redditch Library funds will be transferred to the DMIC via a Project Change request with DHCLG. This has support of our MP and DHCLG. The DMIC is in initial design phase (as a larger project). Internally the Council are challenging the delivery timescales and costs as well as moving forward with how the functions being delivered within the building and talking to prospective partners.

Cost of Living Crisis - Housing Register Access to Housing Benefit and Universal Credit Council budget. We have also noted an increase in insurance claims due to fires which are linked to this. Our Partnership Boards guide people to alternate providers of support.

We understand this impacts different stakeholder Groups in different ways and need ways of evaluating the impact on them and the Council's services.

New Customer facing interface - Presently delivered by a number of systems that are not linked together and require manual intervention for internal reporting. This has increased in risk to Red due to the volume of work required in relation to the ensuring the Council's data is up to date and can be used directly by our customers in self- service interfaces. A work stream reported back in Q2 of 24/5 setting out data deficiencies and rectification routes. A Data project has bene set up to rectify these deficiencies. However, full resolution will be a medium term project.

The Environment Bill - New Statutory Requirements for delivery of a dedicated Food Waste Service, and changes to materials requiring collection by both Domestic & Commercial Waste Services. Financial impact on Councils to deliver new services. Primarily increased revenue costs on staff and vehicle operation and maintenance. Offset by Capital funding from Central Government to support assets related to "new burdens". Mitigation is partnership working with Worcestershire Waste Board and Members Task group to review requirements and future service delivery direction. Jointly funded partnership role by all Worcestershire LA's to support this work, alongside support from WRAP (Environmental NGO specialising in the Waste Industry). This is still Red due to potential significant funding gaps and non-receipt of final comprehensive legislation.

Devolution and Local Government Reorganisation – this new risk is significant and will impact all facets of Council operations. Within this parliament all Councils within Worcestershire will be disbanded and replaced by Unitary Authorities. Councils within Worcestershire have been invited to give high level "agreed" solutions/options by the 21st March 2025 with detailed solutions by November 2025. The Council will need to deliver business as usual until vesting day and there are significant risks linked to operations, relationships with other Councils within the County, finances and potential loss of staff that will need to be managed.

New Chief Executive/Deputy Chief Executive – the Councils have appointed a new Chief Executive and Deputy Chief Executive. Both will start on the 31st March 2025. Given the magnitude of the risks set out in this report, especially Local Government Re-organisation, this Officer change is significant. Relationships will need to be remade/reset both internally and externally and this will need to be done quickly. The Councils are putting in place mitigations and processes to de-risk this process as much as possible

Departmental Risks

3.9   The Council procured the 4Risk system to manage its risks. Risks are subdivided into Corporate Risks and then Departmental Risks. Each risk has an individual record applied to it to ensure all the pertinent information is captured.

The original Risk Baseline in April 2022 was (as shown in Appendix B):

- 119 Departmental Risks – 16 Red, 42 Amber, 61 Green
  This reduced through the first set of reviews in June 2022 to:

- 96 Departmental Risks – 3 Red, 36 Amber, 57 Green
  The next set of reviews in September reduced this number further to

- 83 Departmental Risks – 4 Red, 26 Amber, 53 Green
  The third Set of reviews in December reduced this number to

- 62 Departmental Risks – 1 Red, 27 Amber, 34 Green
  The fourth Set of reviews in March reduced this number to

- 58 Departmental Risks – 1 Red,31 Amber, 26 Green
  The fifth set of reviews in June reduced this number to

- 51 Departmental Risks – 1 Red,31 Amber, 19 Green
  The sixth set of reviews in December reduced this number to 47.

- 47 Departmental Risks – 1 Red,30 Amber, 16 Green
  The seventh set of reviews in March 2024 increased this number to 49.

- 49 Departmental Risks – 2 Red,32 Amber, 15 Green
  The eighth set of reviews in June 2024 reduced this number to 47.

- 47 Departmental Risks – 1 Red,29 Amber, 17 Green
  The ninth set of reviews in September 2024 reduced this number to 47.

3.10   **Position as at the 30th September 2024**

Service Area	Red	Amber	Green	Total
Customer Access and Financial Support	0	5	5	**10**
Finance	0	2	1	**3**
Environmental Services	0	5	1	**6**
Leisure & Cultural Services	0	1	0	**1**
Legal, Equalities, Democratic Services & Property	0	3	2	**5**
ICT	0	2	0	**2**
Planning Services	0	1	0	**1**

Housing	0	10	5	**15**
Community Services	0	1	2	**3**
HR	0	0	1	**1**
Total	**0**	**30**	**17**	**47**

3.11 **Position as at 31st December 2024 – Q3 2024/25**

The position as at December 2024 takes account of the new Regeneration and Property directorate and 4 risks that sat in the Legal Services directorate have transferred into the new directorate. Overall, there has been a reduction of one departmental risk.

Service Area	Red	Amber	Green	Total
Customer Access and Financial Support	0	5	4	**9**
Finance	0	2	1	**3**
Environmental Services	0	5	1	**6**
Leisure & Cultural Services	0	1	0	**1**
Legal, Equalities & Democratic Services	0	1	0	**1**
ICT	0	2	0	**2**
Planning Services	0	1	0	**1**
Regeneration and Property Services	0	2	2	**4**
Housing	0	9	6	**15**
Community Services	0	1	2	**3**
HR	0	0	1	**1**
Total	**0**	**29**	**17**	**46**

3.12 The table at Appendix A sets out the detail of these departmental Risks and links them where relevant to Corporate Risks. The table sets out the RAG rating for each of these risks for the Quarter 4 2023/24 and Quarters 1-3 2024/25. Those risks that have been mitigated have a "black" colour in the quarter that stopped becoming a Departmental Risk.

We now have a new Corporate Risk in relation to Devolution and Local Government Review. Councils are not clear on the final rules but it is clear that with all Councils in Worcestershire being disbanded and replaced by one or more Unitary Authorities it will be important to ensure business as usual isa not significant impacted. It is expected that over the next two years there will be significant changes on a quarter by quarter basis on departmental risks,

WRS risks, as per their Board Pack for February 2025 are attached at Appendix C.

3.13   The number of risks has reduced by one, but there are now no Red Risks but higher numbers of Amber risks.

3.14   This report sets out the position a year following the initial baselining of council risks. This is the ninth review, following the implementation of the Action Plan due to the "No Assurance" internal Audit reports.   The key point a year in is to ensure that risk management is embedded within the organisations:

- Officer Risk Board continues to take place quarterly to embed processes and validate Risks on the register.
- Each department has nominated a representative to a Risk Board. These report back to management teams who ensure Departmental Risk Registers are updated at least quarterly and discussed at management teams monthly.
- The Audit Committees of both Councils reviewed Risk Registers on a quarterly basis. These reports have also been presented to Executive although this has stopped after June 2023 as this should be a function of the Audit Committees.
- CMT are updated on risk management issues in their monthly "assurance" meeting, which is a week after the Risk Board meets on a quarterly basis.
- The Corporate Risk Register is now discussed as an early item on the agenda at meetings of the Audit, Standards and Governance Committee, as per the Audit Task Group's recommendation.
- The Risk Level has moved from a Limited Assurance in March 2022 to a Moderate Assurance in May 2023. A second follow up Risk Audit is under way.

In terms of the departmental lists:

3.15   It should be noted that a significant number of departmental risks are linked to regulation, and this feeds through to the corporate risks. If we fail on one of these major compliance issues the impact on the Council and its stakeholders can be significant.

3.16   Community risks, even though many are green, are still all relevant as departmental and cannot be moved to the lower level of "business as usual" as these link to fixed term contracts. The most significant risk is now the Safeguarding Risk which affects all service areas and there are action plans that need to be followed. There is a potential new risk in regard to Lifeline "cyber essentials" compliance to ensure the Council does not lose its accreditation. This will probably move to being a formal risk in the Q4 report.

3.17   The majority of Housing risks are compliance and/or Health and Safety led. We noted earlier in the year the issues in relation to "disrepair" claims (60), fires in premises, which has increased significantly over the past 2 years, and due to cost of living, the volume of tenants who now have no Council contents insurance (see the later insurance section). The volume of these disrepair claims are going down however it should be noted that as disrepair is linked to workmanship it is non insurable for the Council. There is still significant work being undertaken at St Davids. In terms of Homelessness (HOU7) there are processes in place now to start to add additional housing capacity, but this will take

time. Fire remedial work (Hou22) is moving well, and in Q4 we will need to review risks around compliance on passenger and platform lifts. Overall, with a Housing Inspection taking place in April, the next Risk Report might see change in relation Housing Risks. It should be noted that Risks 7/14/15/21 will be measured by the now required Housing Satisfaction Survey results.

3.18   Overall, to give a better Housing service, the Council is implementing Total Mobile to ensure more efficient delivery. This links to a number of the Housing items.

3.19   It should be noted that with Gas Safety Inspections (HOU14) we also need the tenants agreement to do the works and a month's notice is generally given. Damp and Mould work (HOU28) has moved back to Green.

3.20   There is a new risk in finance linked to staff non-compliance of procurement processes. This will be mitigated by additional training. It should be noted, that to provide more financial support to managers (FIN1) courses are being devised to improve budget manager skills and their understanding of how best to effectively use TechOne.

3.21   The Building Control risk will become more focused towards the end of the financial year as if Building Control staff are not accredited, we cannot used them. This will also possibly limit the number of staff available in the agency market. Existing staff are presently undertaking accreditation exams in order to mitigate the issue.

3.22   Given the significant cyber risks faces by Council's, as noted in the Corporate Risks section, it is important Members and Officers engage to mitigate this risk. Using KnowBe4 functionality is assisting and the associated penetration tests is assisting in mitigating this risk for both Members and Staff. As noted earlier, the Council have successfully renewed their cyber insurance policy. It should be noted that ICT7 is dependent on departments ensuring they are compliant in regards to their ICT requirements

3.23   With Property, the biggest risk we face in the future is the new works in the Town Hall which is now at the strip out stage. We are reviewing all our assets as there is a significant impact on EPC (Energy) ratings and what will be allowable after 2026. This could have significant cost impacts for the Council. The New Assistant Director of Regeneration and Property is undertaking a full review of all risk and issues linked to these areas and this will feed through to future reports.

Insurance

3.24   We have successfully renewed our Cyber insurance. It seems that the markets have settled down following the issues we had in renewing in 2022 and the premium has only increased marginally.

3.25   There is not significant change since the Q2 Report. The Council are in their final year of the present insurance contracts. The Council is now running a year after other

Worcestershire Councils who are renewing in this financial year. As such, the Council is just renewing/extending its contracts for a single year. An issue still remains Property information. Insurers are requesting significantly more detail and it will take 12 months to get data to the required standard. This issue does highlight a deficiency in property data capture – which links to the Corporate Customer Risk linked to data. A risk still remains that prospective insurers might not be interested in insuring all aspects of our work.

3.26   The increases in fires seen in recent reports, linked to our Housing Stock, have reduced as have Damp/Mould claims and it should be noted that we have the lowest claims levels across Worcestershire for Parks and Open.

3.24   In assessing renewal data we have seen a large reduction in trips/slips, although this could be due to more of the population working from home and potholes is not the issue in Redditch that it is in other areas.

3.27   It is important when fighting claims that we maintain the correct records and the new CIVICA Housing system will help with this.

Our insurers are highlighting 2 major risks for the sector:
- Under-Insurance of Council assets due to incomplete assets. Insurers are now starting to intimate that they will only insure to a certain level and not the full value if the data is not fully updated.
- The use of Artificial Intelligence – as it is not clear on what decisions are being made with this data and what the risks implications are because of this

The Risk Management Framework

3.28   Risk Management Training.   Given the active management of risks by service departments, we have seen numbers of departmental risks reduced by over 50% although Corporate Risks have increased by 20%. There is the requirement for Corporate Risk training (Members and Officers) and existing processes need further embedded in the organisations to increase assurance. This will be organised once both Council's Corporate Strategies have been finalised.

4.   Legal Implications

4.1   No Legal implications have been identified.

5.   Financial Implications

5.1   The Council spend significant sums insuring itself and must also hold Reserves to mitigate the costs of risks should they happen. A comprehensive Risk Management approach ensures risk and its consequences, including financial ones, are minimised.

6.   Strategic Purpose Implications

Relevant Strategic Purpose

6.1   A comprehensive Risk Management approach ensures **Risk and its Consequences** is minimised for the Council.

Climate Change Implications

6.2   The green thread runs through the Council plan. This includes risks linked to activities and actions that link to our climate.

7.   Other Implications

Customer / Equalities and Diversity Implications

7.1   If risks are not mitigated it can lead to events that have Customer/Equalities and Diversity implications for the Council.

Operational Implications

7.2   Risks are inherent in almost all the Councils operational activities and therefore significant risks need to be identified, monitored and mitigated.

8.   RISK MANAGEMENT

8.1   This report is about Risk Management, its quantification and mitigation across Council services.

8.2   These risks are monitored, reported and mitigated through the processes and officers set out within this report.

9.   APPENDENCES

Appendix A – Present Departmental Risks
Appendix B – Previous Risk Management Reports
Appendix C – WRS Risk Report

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Appendix A – Present Departmental Risks

Council	Q4	Q1	Q2	Q3	Risk Description	Corp Risk
Both	BEN 1	BEN 1	BEN 1	BEN 1	Fail to effectively resource the service to meet demand	COR 9
Both	BEN 3	BEN 3	BEN 3	BEN 3	Impact of Welfare Reform Act	
Both	BEN 6	BEN 6	BEN 6	BEN 6	Impact of ELF scheme	
Both	BEN 7	BEN 7	BEN 7	BEN 7	Benefits subsidy	
Both					Failure to deal with complaints to customers satisfaction	
Both	CUS 7	CUS 7	CUS 7	CUS 7	Fail to ensure the adequate security arrangements for Customer Service Centres	COR 9
Both	REV 4	REV 4	REV 4		Failure to effectively manage change	
Both	REV 7	REV 7	REV 7	REV 7	Performance Information data is not robust	
Both	REV 11	REV 11	REV 11	REV 11	Reduced collection rates	
Both					Maintenance and Recovery of Collection Performance Post Covid	
Both	REV 17	REV 17	REV 17	REV 17	Failure of corporate Fraud and Compliance team	
Both	REV18	REV18	REV 18	REV 18	Data Compliance	COR24

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Both	FIN 1	FIN 1	FIN 1	FIN 1	Fail to provide adequate support to managers to manage their budgets	COR10
Both	FIN4	FIN4	FIN 4	FIN 4	Fail to effectively manage high value procurements resulting in breach of EU procurement rules.	COR16
Both	FIN7	FIN7	FIN 7	FIN 7	Purchasing Non Compliance	COR16
Both	ENV 7	ENV 7	ENV 7	ENV 7	Fail to adequately maintain and manage car parking and On Street enforcement	
Both	ENV 9	ENV 9	ENV 9	ENV 9	Avoidable damage to fleet arising from staff behaviour and none compliance	
Both	ENV 10	ENV 10	ENV 10	ENV 10	Fail to ensure adequate Health & Safety across the service	COR 9
Both	ENV 11				Fail to engage with the WCC regarding land associated with highway maintenance	
Both	ENV 20	ENV 20	ENV 20	ENV 20	Workforce planning	COR19
Both	ENV22	ENV 22	ENV 22	ENV 22	PDMS - New Environmental database	
Both	ENV26	ENV 26	ENV 26	ENV 26	Environmental Enforcement	
Both	L&C 2	L&C 2	L&C 2	L&C 2	Fail to ensure the health & safety of the Public / Staff and visitors using services (meeting regulatory requirements)	COR 9
Both	LED 9	LED 9	LED 9	LED 9	Failure to ensure that Council Owned buildings, Property Assets and Facilities remain fit for purpose now and for the future.	
Both	LED 10	LED 10	LED 10	LED 10	Fail to optimise the income from Commercial properties	

Both	LED 11	LED 11	LED 11	LED 11	Fail to effectively manage property assets	
Both	LED 12	LED 12	LED 12	LED 12	Fail to effectively manage the disposal of assets as part of asset disposal programme	
Both	LED 13	LED 13	LED 13	LED 13	Leisure Contracts	COR16
Both	ICT 7	ICT 7	ICT 7	ICT 7	Failure to identify, maintain and test adequate disaster recovery arrangements	COR18
Both	ICT 15	ICT 15	ICT 15	ICT 15	Members and Data protection Training	
Both	PLA 11	PLA 11	PLA 11	PLA 11	Loss of effective Building Control service due to changes in legislation / Hackett / Grenfell	COR19
Red	HOU 2	HOU 2	HOU 2	HOU 2	Fail to effectively manage housing repairs and maintenance	COR14
Both	HOU 7	HOU 7	HOU 7	HOU 7	Fail to manage impact of increasing homelessness cases and Recruitment challenges	COR19
Red	HOU 8	HOU 8	HOU 8	HOU 8	Inability to collect rent and rent arrears	
Red	HOU 9	HOU 9	HOU 9	HOU 9	Fail to effectively management leaseholder properties	
Both	HOU 10	HOU 10	HOU 10	HOU 10	Fail to effectively manage capital projects (also the right contracts are put in place, internal and external)	
Red	HOU 11	HOU 11	HOU 11	HOU 11	Potential for an increase in right buys	
Red	HOU 12	HOU 12	HOU 12	HOU 12	Failure to Achieve CQC Compliance at St Davids House	COR14
Both	HOU 14	HOU 14	HOU 14	HOU 14	Failure to complete annual gas Safety Inspections	COR14

Red	HOU 15	HOU 15	HOU 15	HOU 15	Risk of legionella in housing with communal facilities	COR14
Red	HOU 16	HOU 16	HOU 16	HOU 16	Housing Revenue Account	
Both	HOU 19	HOU 19	HOU 19	HOU 19	Failure to comply with Charter for Social Housing and the Regulator	COR14
Both	HOU 21	HOU 21	HOU 21	HOU 21	Non-compliance with Asbestos Regulations	COR14
Both	HOU 22	HOU 22	HOU 22	HOU 22	Non-compliance with Regulatory Reform (Fire Safety) Order 2005 - Blocks of flats and communal entrances	COR14
Both	HOU 27	HOU 27	HOU 27	HOU 27	Failure to comply with IEE regulations	COR14
Both	HOU 28	HOU 28	HOU 28	HOU 28	Damp and Mould In Council Housing	COR14
Both	COM 3	COM 3	COM 3	COM 3	Safeguarding - Inadequate child and adult protection systems/process.	COR14
Red	COM 16				Lifeline - Impact of the telephony network digital upgrade on the service	
Both	COM 17	COM 17	COM 17	COM 17	Starting Well Partnership – underperformance of contract	COR16
Both	COM 18	COM 18	COM 18	COM 18	Social Prescribing – underperformance of contract	COR16
Both	HR 2	HR 2	HR 2	HR 2	Fail to monitor and respond to changes in employment legislation	COR14

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Appendix B – Previous Quarters Risk Reports

The baseline risks April 2022 are included in the following table – this is prior to any Risk Board meetings.

Original Baseline April 2022

Service Area	Red	Amber	Green	Total
Customer Access and Financial Support	12	20	13	45
Finance	0	0	4	4
Environmental Services	0	2	11	13
Leisure & Cultural Services	0	3	3	6
Legal, Equalities and Democratic Services	0	0	7	7
ICT	2	4	5	11
Planning Services	0	1	1	2
Housing	1	11	11	23
Community Services	1	1	5	7
HR	0	0	1	1
Total	16	42	61	119

After the Risk Board on the 22nd June, the following changes have been made which saw the number of risks reduce as follows to 96 Risks

Service Area	Red	Amber	Green	Total
Customer Access and Financial Support	0	6	12	18
Finance	0	2	2	4
Environmental Services	0	2	11	13
Leisure & Cultural Services	0	3	3	6
Legal, Equalities, Democratic Services & Property	0	3	9	12
ICT	2	6	2	10
Planning Services	0	2	1	3
Housing	1	10	10	21
Community Services	0	2	6	8
HR	0	0	1	1
Total	3	36	57	96

The departmental red risks are:

- REV7 - Revenues - Performance Indicator data is not robust
- ICT 7 - Failure to identify, maintain and test adequate disaster recovery arrangements
- ICT 11 - System functionality to manage records

After the Risk Board on the 21st September, the following changes have been made which saw the number of risks reduce as follows to 83 Risks

Service Area	Red	Amber	Green	Total
Customer Access and Financial Support	1	5	13	19
Finance	0	2	2	4
Environmental Services	0	1	11	12
Leisure & Cultural Services	0	1	0	1
Legal, Equalities, Democratic Services & Property	0	1	9	10
ICT	2	4	4	10
Planning Services	0	1	0	1
Housing	1	9	7	17
Community Services	0	2	6	8
HR	0	0	1	1
Total	**4**	**26**	**53**	**83**

Red Departmental Risks were:
- REV7 - Revenues - Performance Indicator data is not robust.
- ICT7 - IT - Failure to identify, maintain and test adequate disaster recovery arrangements.
- ICT11 - IT – System functionality to manage records.
- Hou26 - Housing – Failure to deliver a service to QCQ requirements at St David's House.

After the Risk Board in December, the number reduced to 62.

Service Area	Red	Amber	Green	Total
Customer Access and Financial Support	1	5	10	16
Finance	0	2	2	4
Environmental Services	0	5	3	8
Leisure & Cultural Services	0	1	0	1
Legal, Equalities, Democratic Services & Property	0	1	5	6
ICT	0	2	2	4
Planning Services	0	1	0	1
Housing	0	9	6	15
Community Services	0	1	5	6
HR	0	0	1	1
Total	**1**	**27**	**34**	**62**

Red Risks – 1 in total

- REV7 - Revenues - Performance Indicator data is not robust

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After the Risk Board on the 22nd March, the following changes have been made reducing the overall number of departmental risks to 58.

Service Area	Red	Amber	Green	Total
Customer Access and Financial Support	1	6	9	16
Finance	0	2	0	2
Environmental Services	0	5	3	8
Leisure & Cultural Services	0	1	0	1
Legal, Equalities, Democratic Services & Property	0	3	2	5
ICT	0	2	1	3
Planning Services	0	1	0	1
Housing	0	10	5	15
Community Services	0	1	5	6
HR	0	0	1	1
Total	1	31	26	58

-
- **Red Risks – 1 in total**
- REV7 - Revenues - Performance Indicator data is not robust

Position as at 30th September 2023

Service Area	Red	Amber	Green	Total
Customer Access and Financial Support	1	6	6	13
Finance	0	1	1	2
Environmental Services	0	5	1	6
Leisure & Cultural Services	0	1	0	1
Legal, Equalities, Democratic Services & Property	0	3	2	5
ICT	0	2	1	3
Planning Services	0	1	0	1
Housing	0	10	5	15
Community Services	0	1	3	4
HR	0	0	1	1
Total	1	30	20	51

Red Risks – 1 in total

REV7 - Revenues - Performance Indicator data is not robust

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Position as at the 31st December 2023

Service Area	Red	Amber	Green	Total
Customer Access and Financial Support	1	6	4	11
Finance	0	1	0	1
Environmental Services	0	5	1	6
Leisure & Cultural Services	0	1	0	1
Legal, Equalities, Democratic Services & Property	0	3	2	5
ICT	0	2	0	2
Planning Services	0	1	0	1
Housing	0	10	5	15
Community Services	0	1	3	4
HR	0	0	1	1
Total	1	30	16	47

Red Risks – 1 in total

REV7 - Revenues - Performance Indicator data is not robust

Position as at the 31st March 2024

Service Area	Red	Amber	Green	Total
Customer Access and Financial Support	2	5	3	10
Finance	0	2	1	3
Environmental Services	0	6	1	7
Leisure & Cultural Services	0	1	0	1
Legal, Equalities, Democratic Services & Property	0	3	2	5
ICT	0	2	0	2
Planning Services	0	1	0	1
Housing	0	10	5	15
Community Services	0	2	2	4
HR	0	0	1	1
Total	2	32	15	49

Red Risks – 2 in total

REV7 - Revenues - Performance Indicator data is not robust. The risk Revenues Data Compliance has been added and is also Red.

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Position as at the 30th June 2024

Service Area	Red	Amber	Green	Total
Customer Access and Financial Support	1	5	4	10
Finance	0	2	1	3
Environmental Services	0	5	1	6
Leisure & Cultural Services	0	1	0	1
Legal, Equalities, Democratic Services & Property	0	3	2	5
ICT	0	2	0	2
Planning Services	0	1	0	1
Housing	0	9	6	15
Community Services	0	1	2	3
HR	0	0	1	1
Total	1	29	17	47

Red Risks – 1 in total

REV18 - Revenues - Revenues Data Compliance

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Appendix C – Worcester Regulatory Services Risks

Risk Description	Consequences	When is this likely to happen	Current Position			Control measures
			Likelihood	Impact	Matrix RAG Status	
Loss of Data through IT failures or Cyber Incident	Disruption to Service Provision. Inability to produce records and data.	On-going	Low	High	Amber	Cyber-attacks are a growing threat. Wyre Forest ICT has effective processes and business continuity plans in place. WFDC upgraded relevant systems including Windows. The service moved to Office 365 during 2021/22, which provides better access to a range of provisions including Microsoft Teams and Power BI. Cyber security training is delivered regularly and risks identified are tackled.
Issues with the WRS database system	Impact on work planning. Self-help may not enable savings required	On-going	Low	High	Amber	New contract in place. The system provides the necessary functionality and will allow the enablement of data transfer from electronic forms which is currently in development. Complexities might arise with potential new service areas not currently catered for within the database or where existing partner databases have to be maintained in addition.
Effective and efficient Business Continuity arrangements in place	Disruption to service if e.g., Major Power failures or other reasons that access to Wyre Forest House is not possible.	On-going	Very Low	Medium	Amber/ Red	The pandemic has shown that we were well prepared for the need to maximise working from home and now all staff, including some previously regarded as office based can do this. Touchdown stations remain available in partner council locations. WRS Managers do need to redraft contingency plans in the event of a prolonged IT failure or cyber-attack that will allow services to be maintained. This is the greatest risk facing local authorities currently and is one we all need to move forward with.
Maintain our capacity to achieve service delivery	Disruption to service e.g., Major staff sickness (e.g., flu pandemic) or Unable to recruit or retain suitably qualified staff.	On-going	Low	Medium	Amber	The pandemic response has shown that the service was well-placed to respond to what was required. Consultants are available to provide short term cover and, whilst this worked well in peacetime to cover peak demand periods, the pandemic has revealed the

						limits to this type of capacity. These pressures will only be resolved in the longer term by local and central government investing in additional capacity and additional training to bring more people into the regulatory professions. Having taken on contracts with additional authorities the demand has increased, and neighbouring authorities have lost the ability to assist with some technical specialisms. This is the double-edged sword of effectively operating as a centre of excellence. Whilst we have good resource of our own, in event of an issue, there are limits to who we can ask for help but it does mean that we are better resourced and qualified than would be possible if we didn't provide such services for income. Regional and sub-regional groups are in place so can provide shared resources for local authorities if required. Effective training and development processes are in place to ensure recruitment and retention of staff. There is increased training budget pressure, reduced technical knowledge in neighbouring authorities and increased importance in maintaining heightened skills for contractual obligations and commercial edge. Regular inventory and maintenance of equipment is undertaken. In the future, budget for replace may be an issue but would be a relatively small amount for partners to share.
Pest contractors cease operations.	Disruption to service. Negative media coverage. Increased public health risks	On-going	Low	High	**Green**	The Pest control framework contract has multiple pest control suppliers so the loss of one allows work to be moved to the others. This should limit or eliminate risk, although the unlikely loss of multiple companies might create capacity issues.
Effective and efficient contract arrangement for dog control	Disruption to service if no kennels available. Negative media coverage.	On-going	Low	High	**Amber**	There have been significant increases in numbers of stray dogs, dog disease, breed and behavioural complexities and supplier contracts are restricted by

	Increased public health risks				**Amber**	distance. Retendering for conventional contracts in kennelling and support services remains difficult and consideration may be given to creating our own capacity. Contractual obligations provide additional pressure. The current kennelling contracts are to be extended until April 2025.
Hosting support does not deliver necessary financial and HR support to ensure efficient management	Efficiency of management reduced; staffing issues remain unaddressed, and performance suffers	On-going	Low	High	**Amber**	Issues with the new BDC finance system have mainly been resolved, however some workarounds remain in place due to some unforeseen issues. We need to improve communication with our hosts to ensure the needs of the shared service do not get missed during any significant changes to systems or processes.
One or more partners continue to be under great financial pressure and may consider alternatives to the partnership to deliver their service	Creates reputational issues for remaining partners and increases the need to manage overheads. Difficulties in delivering highly varied levels of service	On-going	Medium	High	**Amber**	New legal agreement limits variations in contribution before partners must move to contractual relationship but this is quite high before it kicks in (20%.) Leanness of organisation minimises overheads and focuses resource at the front line. Growth strategy should generate income to support partners in the future but there are limits to this without additional capacity being added to the system. Invest to save capacity has been committed by partners to see if this achieves the necessary outcomes but even this is now fully occupied.
Robust arrangements in place in relation to obtaining legal advice and monitoring legislative changes.	Loss of cases is costly and damages reputation.	On-going	Low	Medium	**Green**	Continued close working with BDC legal team and other partners who don't use BDC for advocacy. Technical and legal training days for staff. Difficulty in keeping informed of Case Law developments. Membership and attendance of Officer Technical Groups outside the County does assist.
Service provision complies with Government requirements, New performance regimes are introduced that the service is not staffed to address	Intervention by Government bodies Other national bodies seek to introduce similar frameworks to the FSA Code to get what they regard	On-going	Low	High	**Amber**	Limited detail of what is required for statutory minima can make decision making difficult around what is required in law as a minimum. The LGA is clearly aware of impact of budget reductions on regulation and has made it clear

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	as suitable minimum levels of service. We understand that Government is asking its central competent bodies to ensure that regulatory regimes are fit for purpose and do not pose a risk to UK exports post BREXIT as the UK no longer has the cover of the EU taking on this role. This may make new codes or performance frameworks in areas outside of food law more likely. NB: Food Standards Agency is addressed below.				Government cannot expect what it had previously. Fewer interventions/ audits by government. The Service has developed systems that follow the principles of the requirements of bodies like FSA so can show some level of compliance, but service isn't operating to the letter of the current Code. This has been noted by the Agency and they are now seeking to drive all authorities back into line with the Code, with the threat of ministerial direction if required. The major changes envisaged for the Code have been delayed until 2027. And whilst this change is likely to move closer to the WRS model of operation, it is unlikely to wholly embrace the intelligence-led approach. See below for specific risk. Environmental reporting for Local Air Quality Management, Pollution Prevention and Control and Private Water Supply Inspection reports to Defra and DWI have received positive responses with no issues of concern raised by these bodies*.
Compliance with Food Code of Practice	Adverse comments following audits. FSA, can seek ministerial direction to make LAs comply with its Code of Practice	On-going	High	High	**Amber/ Red**	This is a subset of the section above line as FSA is the only body currently with a statutory code that LAs must have significant regard to, plus it has the power to apply for Ministerial Orders to force LAs to comply with the letter of the Code. Until recently the Agency appears to have been happy to allow LAs to experiment as long as they abide by the spirit of the code and resource the function at a reasonable level. It has now changed tack and is seeking to push local authorities to operate much more closely to the letter of the code in an effort to create additional resource. A paper went to the FSA Boar at the end of 2023, expressing concern about resourcing levels in both Env Health and Trading

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						Standards resulting in a public call for local and central government to work together to remedy this. The partners are looking to make a significant investment in resources to address most of the Agency's concerns, but it will not allow full compliance with the Code. Having said this, there is limited risk in the variations that will remain in place and full compliance with the code would require a full redesign of operations within Community EH and further financial investment.
Failure to deliver external contract work at the level expected by the business or local authority with whom we have the contract	Damage to reputation, loss of future income streams, financial impact of paying damages	On-going	Low	High	**Green**	Ensure contract negotiations are clear on performance criteria and these are clearly recorded in the final documentation. Monthly reviews against performance criteria. Select staff to ensure competence of those undertaking work outside Worcestershire. Maintain strong links with the customer's monitoring staff. Intervene early with corrective action
Local government Re-organisation	Ensuring the statutory regulatory functions are accommodated in any new unitary arrangements to meet the requirements of the new structure	On-going	High	Medium/ Low	**Green/ Amber**	There is little for officers to do before any decisions on structures and timetable are made. The structuring of the shared service means that integration of these elements into one authority would be relatively straight-forward should a decision be taken on a unitary county model and, in the eventuality of multiple unitary authorities being the chosen model, the option to retain shared arrangement would remain, although it seems unlikely given previous re-organisations elsewhere.