BARNSLEY METROPOLITAN BOROUGH COUNCIL

This matter is not a Key Decision within the Council's definition and has not been included in the relevant Forward Plan

Report Of The Executive Director Core Services
To Cabinet On 2 June 2021

REVIEW OF THE AUTHORITY'S STRATEGIC RISKS

1.   Purpose of report

1.1   This report presents the new proposed strategic risk register (SRR) following the fundamental review of the approach to risk management.

2.   Recommendations

2.1   It is recommended that Cabinet consider the strategic risks and agree them as reflecting the key areas of concern and focus under the new risk management approach.

2.2   It is also recommended that Cabinet receive 6-monthly updates on the strategic risks.

3.   Introduction

3.1   The risk management approach and process for the Council has been fundamentally reviewed and changed. *[Note - Cabinet have considered the new approach in the report on this agenda on the 'Risk Management Policy Statement and Framework'].*

3.2   The Senior Management Team have considered the strategic areas of concern and focus adopting the new approach. The new proposed SRR is attached as Appendix 1.

3.3   The risk registers are now managed through a 'risk system' utilising the Council's SharePoint system and the PowerBI business intelligence tool to enable easier access, updating and use of the registers. As such the previous spreadsheet versions of risk registers has ended. The new system has been designed to support working without hard copy documents and support agile working where everything that's needed to review a risk is on a single 'screen'.

4.   Proposal and justification

4.1   Whilst there are various ways of 'doing risk management', the opportunity was taken to embrace a fundamentally different approach; one that moved away from the traditional style of 'considering failure' to one that had a focus on

achievement, delivery and success. In risk culture terms an almost opposite way of thinking.

4.2   Time has been taken deliberately to carefully develop the approach, the supporting system and introduce the concept and language to ensure managers across the Authority buy-in to it and see how it can be a far better and easier methodology to use. Feedback has been very positive.

4.3   The proposal is therefore to fully adopt and implement the new approach to how the Authority manages its risks.

5.   Consideration of alternative approaches

5.1   It was recognised for the strategic risk register particularly that the previous approach had become too unwieldly and relied heavily upon corporate support which resulted, to some degree, in taking away the responsibility for the maintenance of risks and the registers from management. The previous SRR was also criticised in the 2019 Peer Review.

5.2   Scores for probability and impact had been traditionally used and ingrained in how risks were thought of, with that focus on 'failure'. Such scores were inherently subjective and the nature of how risks were articulated meant that scores rarely changed. Risk registers did not therefore really capture the 'here and now' nor provide a focus on how we ensure success.

5.3   Another factor in moving to the new approach was what system would support it. With some risk systems being expensive, a simple SharePoint based system was developed meaning that one, it was free, but also that it used functionality familiar to most employees and certainly all the managers likely to be using it. The use of the business intelligence tool PowerBi to present risks in an easily accessible way as a 'front-end' was also developed, again fitting alongside the other performance dashboards that have been developed over the last few years.

5.4   With all new systems and approaches there will be a post implementation review in about 6 months to ensure it is meeting management's requirements and is supporting better strategic and operational management and assurance.

5.5   In terms of assurance, the Audit and Governance Committee have considered the new risk management approach and the new strategic risk register, commented favourably and will continue to oversee its effectiveness on a regular basis.

6.   The New Strategic Risks

6.1   Appendix 1 provides the summary of the proposed 13 key strategic areas of concern and focus identified by the Senior Management Team. As can be

seen these are articulated in a way that focuses on the assurances needed to ensure success. Some by their nature, for example having a clear focus on safeguarding, are about avoiding a tragic incident of course, but the emphasis within the detail is an emphasis on what senior management require assurances on that will minimise the likelihood of that terrible incident occurring.

6.2   The high-level analysis of the issue, concern or area of focus is simpler, reflecting whether it is happening now or in the future. The terminology is contained in the Risk Management Framework.

6.3   The assessment regarding the priority of the response / action needed reflects a more dynamic and 'real-time' analysis, that will change in light of the assurances obtained from the detailed actions.

6.4   A brief presentation of the new risk system focussing on the strategic risks will support this report.

7.   Implications for local people / service users

7.1   There are no direct implications arising from this report. However, users of Council services should be assured that the risk approach has a that positive focus on delivery and achievement.

8.   Financial Implications

8.1   There are no direct implications arising from this report. Other than officer time, the new approach and system has not resulted in a cost to the Council.

8.2   Although it would be difficult to calculate, having an effective risk management process that supports decision-making should contribute significantly to the effective management of financial and other resources.

8.3   The support for risk management is resourced in the Finance Business Unit in the Internal Audit, Anti-Fraud and Assurance Team.

9.   Employee Implications

9.1   There are no direct implications arising from this report. Risk management is however every employees' responsibility. Training is being developed to ensure the new approach and system is understood and implemented effectively.

10.   Legal Implications

10.1   There are no direct implications arising from this report.

11.   Communications activity

11.1   All communications about the new approach and system have been internal to the Council.

12.   Consultations

12.1   The Senior Management Team have been involved in the development of the new strategic risk register.

13.   The Corporate Plan and the Council's Performance Management Framework

13.1   As the new approach embeds there will be a stronger link to the Corporate Plan to support its delivery.

14.   Promoting equality, diversity, and social inclusion

14.1   There are no direct implications arising from this report.

15.   Tackling health inequalities

15.1   There are no direct implications arising from this report.

16.   Reduction of crime and disorder

16.1   There are no direct implications arising from this report.

17.   Risk management issues

17.1   There are no additional risk management issues other than those inherently covered in the report and appendix.

18.   Health, safety, and emergency resilience issues

18.1   There are no direct implications arising from this report.

19.   Compatibility with the European Convention on Human Rights

19.1   There are no direct implications arising from this report.

20.   Conservation of biodiversity

20.1   There are no direct implications arising from this report.

21.   List of appendices

21.1   Appendix 1 – The Strategic Risk Register

22.   Background papers

22.1   None

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Appendix 1

Current Strategic Risks / Concerns – April 2021

No.	Risk Title	Risk Description	Impact	Status	Response Rating	SMT Owner
1	Health Protection Emergency	Need to ensure that robust arrangements in place, are understood by all stakeholders and complied with, to deal with any health protection emergencies which may arise, and which require a Business Continuity response e.g. Covid 19 Pandemic.	Actual	Actual	Medium	ED Public Health
2	Glassworks	As a key strategic investment for the Council there is a need to ensure the successful delivery of the Glassworks. There are clear financial and reputational implications should the project not be delivered on time, to budget and fail to have the intended economic and social outcomes. The impact of the Covid 19 pandemic will exacerbate the challenges to the High Street/town centre retail sector which could impact on the uptake of retail lettings.	Potential	Actual	Medium	ED Place
3	Serious Economic Downturn in the Local Economy	The impact of Covid 19 will have a significant impact on the local economy with the potential for reduced NDR and CT collection. There is likely to be a continued or accelerated downturn in the retail and visitor economy sector and the collapse of businesses adding to the pressure on the Council and partners' services. As well as the potential impact on the Glassworks and the town centre there are wider community implications for Barnsley, its principal towns and other urban centres	Actual	Actual	Medium	ED Place
4	Potential death of a child/safeguarding failure in children's services	A need to continually appraise the controls to minimise the potential for death of a child or safeguarding failure in children's services - need to be able to identify any changes which may weaken current levels of assurance. Factors which may impact should be assessed include: the impact of Covid 19 upon both families and workforce capacity, increasing poverty which could impact on demands for services and increases in caseloads, future financial settlements which could impact on service provision, awareness of system pressures e.g. workload. If systems break down there is potential for huge reputational damage - seen across a number of UK authorities - including removal of Director of Children's Services, and government imposition of Commissioners to run services until improvements are made.	Potential	Potential	Medium	ED Children's Services

No.	Risk Title	Risk Description	Impact	Status	Response Rating	SMT Owner
5	Educational outcomes progress	Concerns that educational outcomes progress for all children across Barnsley may not be sufficient, with particular concern around improving outcomes for vulnerable groups and boys	Potential	Potential	Medium	ED Children's Services
6	SEND	Although a new set of controls are in place and the Oversight Board has been developed to ensure that issues identified in the Peer Review Challenge are in place - there remains a need to focus on whether the systems established will be able to support improvements at pace and to the satisfaction of service users and reduce the need to send children out of area which is very expensive and attracts poor satisfaction rates	Potential	Potential	Low	ED Children's Services
7	Financial sustainability	The Comprehensive Spending Review (CRS), Fair Funding Review, and Business Rates Retention all take place in the national policy context of significantly impaired national finances which present challenges to the Medium-Term Financial Strategy (MTFS) and to the certainty and level of financial resources available to the Council with the loss of funding streams. Additional pressures from Business Continuity events e.g. Covid 19, plus the added impact of the year on year reduction in funding available to the Authority which inevitably creates pressures on the financial position which can undermine the Council's ability to fulfil its strategic priorities and longer-term aspirations	Actual	Actual	Medium	SD Finance
8	Organisational resilience	There is a need to ensure that at the Council's core we have robust mechanisms in place to deal with external issues such as; Brexit, Cyber Security, Terrorism or any other external impact requiring a Business Continuity response.	Actual	Potential	Medium	ED Core
9	Partnership and Collaboration Governance	Many public services are delivered through partnerships or collaboration as well as emerging devolution arrangements; these must be robust, well governed but flexible and responsive to ensure objectives are met. Weak partnerships or collaborative working can lead to the failure of services, significant financial difficulties and reputational damage. Key partnerships are: Integrated Care Partnership Board, Barnsley FC, BCVS, SCRMCA.	Potential	Potential	Medium	ED Core
10	Consistency of decision-making process	In the current climate of needing to take effective and often urgent decisions (particularly relating to Covid 19) it is essential that the decision-making arrangements across the Authority are clear, robust but flexible, transparent and consistently complied with. Consideration is needed to balance the need for effective decision making with the information required to support it to ensure that the decision-making process is efficient. This must also incorporate the	Potential	Potential	Low	ED Core

No.	Risk Title	Risk Description	Impact	Status	Response Rating	SMT Owner
		need for effective consultations, whether that is within the Council or with external partners and stakeholders. There also needs to be an appropriate and effective scheme of delegation where Service Directors and Heads of Service are able to take decisions through a simple governance framework but that provides assurances to SMT.				
11	Potential for a safeguarding failure in Adult Social Care	Whilst we are confident that controls are in place to minimise the potential for safeguarding failures there remains a need to continually appraise these and be able to identify any changes which may weaken current levels of assurance. Factors which may impact and should be assessed include; the impact of Covid 19 upon families and workforce capacity which could increase workload pressures, increasing incidence of poverty which could impact on demands for services and lead to increases in caseloads, future financial settlements could impact on service provision, challenges with the viability of the external residential care market, awareness of pressures in the system e.g. workload pressures leading to decrease in staff attendance at meetings etc. If the system breaks down potential for huge reputational damage.	Potential	Potential	Medium	ED Adults & Communities
12	External market provision in Adult Social Care provision	Concerns exist regarding the capacity and sustainability of the external market in adult social care provision. There remains a continuing decline in the ability to recruit into the external care market and sustain safe levels of care. The Market Position Statement needs updating with an associated delivery plan. Without these products and the associated capacity to deliver against the plan the potential consequences are that people could be placed in inappropriate settings with the wrong services, rapid market failure creating pressures on commissioning and Adult Social Care, uneven spread of provision across the borough and potentially unsafe provision. High levels of voids in the market will also significantly threaten capacity and longer-term financial sustainability. The impact of Covid 19 has and will continue to significantly influence the external market and must be fully understood and assessed.	Actual	Actual	Medium	ED Adults & Communities
13	Community cohesion	This remains a key area of focus to ensure that we build and support a tolerant and inclusive community across the Borough.	Potential	Potential	Medium	ED Adults & Communities