

## Report of the Head of Internal Audit, Anti-Fraud and Assurance

Audit and Governance Committee – 13<sup>th</sup> April 2022

### STRATEGIC CONCERNS / RISK REGISTER

#### 1. Purpose of the report

- 1.1 It was agreed at the Audit and Governance Committee meeting in March 2021 that the Committee will have a regular opportunity for a “deep dive review” of some of the strategic risks with the appropriate Executive Director / Service Director in attendance to update and assure the Committee on the management of their risks
- 1.2 Three strategic risks will be considered at this meeting:
  - Zero carbon and wider environmental commitments – Service Director Regeneration and Culture
  - Organisational resilience – Executive Director Core Services
  - Threat of fraud against the Council – Executive Director Core Services

#### 2. Recommendation

2.1 The Committee is asked to note the update.

#### 3. Current Position

3.1 The Strategic Risk Register currently contains 15 risks. Using the new system of risk assessment, SMT have determined that 5 risks be classified as **high** (red response rating\*) 10 risks be classified as **medium** (amber rating) and 0 risks are classified as **low** (green rating) in relation to the level of response and intervention required.

\* The response rating reflects the degree of urgency and importance of the interventions and management oversight rather than the inherent risk.

- 3.2 The actions associated with the 3 risks to be considered in the meeting are included in the attached summary in Appendix 1.
- 3.3 Appendix 2 provides a high-level summary of all the other strategic risks which includes the high-level risk description, risk impact, status, and response ratings.
- 3.4 The risk register system will be shown in the meeting.

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Date: 4<sup>th</sup> April 2022

## Strategic Risks to be reviewed in the meeting – April 2022

Risk Title	Risk Description	Impact	Status	Response Rating	SMT Owner
<b>Zero carbon and wider environmental commitments</b>	<p>Ensuring we have constant regard to our zero carbon, climate and environmental commitments in how we deliver services and act as a community leader.</p> <p><b>Action 1</b> Develop the Positive Climate Partnership to take shared ownership of the issue at a borough wide level, strengthening relationships with partnership members and links into Barnsley 2030.</p> <p>Using the Route Map for the Borough report commissioned with the Centre for Sustainable Energy (completed in April 2022) prioritise collective action across the PCP, co-produce a borough wide Comms Strategy (with consistent key messaging) and the development of the Climate Change Strategy.</p> <p>RAG rating – Amber Completion / review dates – 26/4/2022, 29/6/2022</p> <p><b>Action 2</b> Convene Carbon Management Group within the Council to develop a coherent action plan across all Council operations to deliver net zero for the Council by 2040, focussing on embedding sustainability across all services within the organisation, asset management and behaviour change strategies. This work is supported by the Carbon Trust which mapped out the Council's Scope 1 and Scope 2 emissions and key actions to be taken to minimise the Council's carbon footprint. The Group is chaired by SD Environment and Transport and convened by Head of Sustainability and Climate Change.</p> <p>The group should also convene a Fuel Crisis TFG to consider the mitigations against the significant fuel cost price hike for the organisation, developing a "Quick Win" strategy during April 2022.</p> <p>RAG rating – Amber Completion / review dates – 29/6/2022</p>	Actual	Actual	High	ED Place

Risk Title	Risk Description	Impact	Status	Response Rating	SMT Owner
	<p><b>Action 3</b>  Maximise all opportunities to secure Govt/SYMCA funding to deliver a range of programmes to support both the Council's and the borough's net zero ambitions, including:</p> <ul style="list-style-type: none"> <li>• Future public sector decarbonisation programmes to decarbonise key Council buildings.</li> <li>• Affordable Warmth retrofit programmes to support more energy efficient homes across tenure (currently delivering LAD2/3, social housing decarbonisation schemes).</li> <li>• The development of an EV charging Strategy and maximisation of grant funding to deliver additional infrastructure.</li> <li>• The delivery of low carbon new build homes via the Council's housing growth programme; acting as demonstration for the quality we expect from developers.</li> </ul> <p>RAG rating – Amber  Completion / review dates – 29/6/2022</p> <p><b>Action 4</b>  Ensure biodiversity net gain is at the heart of all our planning policies and work with developers to ensure our natural capital and resources are conserved and protected or replaced where necessary. This to be reviewed through the Local Plan Review to be carried out in 2022. In advance additional biodiversity officer resource to be brought into Planning Service to assist with the early adoption of the 10% net diversity gain on new planning applications.</p> <p>RAG rating – Green  Completion / review dates – 29/6/2022, 20/12/2022</p> <p><b>Action 5</b>  Work with Berneslai Homes to develop a retrofit strategy for future investment in our social housing stock to ensure that it is energy efficient, low carbon and affordable for our tenants. Review the 30 year HRA business plan and explore funding opportunities using the Savills Asset Review completed in March 2022</p> <p>RAG rating – Amber  Completion / review dates – 27/4/2022, 28/9/2022</p>				

Risk Title	Risk Description	Impact	Status	Response Rating	SMT Owner
	<p><b>Action 6</b> Ensure that sustainability and low carbon remains a key principle in the procurement strategy for the development of the SEAM and other strategic masterplan sites. Developing a Sustainability SPD as part of the revised suite for the Local Plan Review.</p> <p>RAG rating – Amber Completion / review dates 27/4/2022, 28/10/2022</p>				
<b>Organisational resilience</b>	<p>Need to understand issues around leadership, general workforce capacity and welfare (exhaustion, fragility) to recognise that organisational resilience is not as high as it was pre-pandemic and therefore continue to find ways for the organisation to recover post pandemic. This action to be kept under review as the risk moves in “waves” and we need to monitor the impact on the organisation as we come out of the pandemic.</p> <p><b>Action 1</b> Continue to develop leadership capability, advice and support including specific development interventions including Barnsley Leadership Programme to increase leadership resilience, as well as address skills shortages such as digital / IT capacity to deliver the improvements we need.</p> <p>RAG rating – Green Completion / review dates – 29/6/2022, 29/9/2022, 30/12/2022</p> <p><b>Action 2</b> HR to work with DMT’s to produce effective workforce plans that meet directorate and organisational objectives and include attraction, recruitment and retention plans and effective vacancy management.</p> <p>RAG rating – Amber Completion / review dates – 29/6/2022, 30/12/2022, 30/3/2023</p> <p><b>Action 3</b> Continue to develop and deliver a comprehensive health and wellbeing support programme for all staff.</p>	Actual	Actual	High	ED Core Services

Risk Title	Risk Description	Impact	Status	Response Rating	SMT Owner
	<p>RAG rating – Green Completion / review dates – 30/8/2022, 30/11/2022</p> <p><b>Action 4</b> Continue to develop, implement and monitor appropriate development plans to increase staff resilience and skills, in particular improving digital / IT capacity to deliver the improvements we need.</p> <p>RAG rating – Amber Completion / review dates – 29/6/2022</p> <p><b>Action 5</b> Develop, launch and embed our “Barnsley is our office” proposition, to ensure the maximum benefits are realised and staff are able to adjust to our new hybrid working arrangements.</p> <p>RAG rating – Amber Completion / review dates – 30/5/2022, 30/7/2022</p>				
<p><b>Threat of fraud against the Council</b></p>	<p>There is a need to ensure that all services are aware of and constantly assess fraud threats and that employee understanding and awareness of potential fraud is good and constantly reviewed.</p> <p><b>Action 1</b> Undertake specific annual fraud risk assessments for each BU</p> <p>RAG rating – Green Completion / review dates – 30/5/2022, 30/5/2023, 30/5/2024</p> <p><b>Action 2</b> POD training is reviewed to ensure practical guidance and training is available for all employees</p> <p>RAG rating – Green Completion / review dates – 29/4/2022, 30/7/2022, 31/10/2022</p> <p><b>Action 3</b> POD training developed for specific roles where the risk of fraud is greatest</p>	Potential	Potential	Medium	ED Core Services

Risk Title	Risk Description	Impact	Status	Response Rating	SMT Owner
	<p>RAG rating – Green Completion / review dates – 30/5/2022</p> <p><b>Action 4</b> Develop a communication plan / strategy to ensure important messages are publicised across the Council and in the press as appropriate</p> <p>RAG rating – Green Completion / review dates – 29/4/2022, 29/9/2022, 30/3/2023</p> <p><b>Action 5</b> Review Fraud Awareness Week 2021 and plan for Fraud Awareness Week 2022 and / or themed events during the year</p> <p>RAG rating – Green Completion / review dates – 30/5/2022, 31/10/2022</p>				

## All Other Strategic Risks – High Level Summary – April 2022

Risk Title	Risk Description	Impact	Status	Response Rating *	SMT Owner
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	High	ED Children's Services
Financial Sustainability	There are several emerging risks facing the Council, some of which are fluid and yet to be quantified but, if unchecked, could potentially pose a major threat to the Council's ongoing financial sustainability.	Actual	Actual	High	SD Finance
Meeting our statutory responsibilities under the Care Act 2014	Adult social care is experiencing higher demand on resources as a consequence of level of need arising from discharges from hospital, impact of the pandemic. This is compounded by pressure on the NHS to recover faster, whilst managing significant recruitment and retention issues in the care sector and the inadequacy of funding from national government. This may result in long waiting times for assessments and care packages resulting in people being in the wrong service for the wrong reason. This could also result in an inability to provide day services for people with a learning disability as resources are redirected to home care.	Actual	Actual	High	ED Adults & Communities
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	Director of Public Health
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	Potential	Actual	Medium	ED Place

Risk Title	Risk Description	Impact	Status	Response Rating *	SMT Owner
	<p>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, and it is an increasingly competitive market for leasing retail and hospitality sector. Coupled with this, there are also risks associated with CineWorld, our anchor tenant as the cinema industry has suffered badly from Covid and is slowly in recovery mode globally.</p>				
Inclusive Economy	<p>The impact of Covid 19 has had a significant impact on the local economy with the potential for reduced NDR and CT collection. There has been a continued or accelerated downturn in the retail and visitor economy sector and the collapse of businesses has added to the pressure on the Council and partners' services. The Council needs to continue to work with partners to minimise the damage done to the Borough's economy and to livelihoods through the Recovery Action Plan, the Inclusive Economy Board and the suite of business support measures delivered through Enterprising Barnsley and our Employment and Skills Team.</p> <p>As well as the potential impact on the Glassworks and the town centred there are wider community implications for Barnsley, its principal towns, and other urban centres with the risk of increased unemployment, redundancies, and low levels of job opportunities for young people and those furthest from the labour market.</p>	Actual	Actual	Medium	ED Place
Community Resilience	<p>That individuals and families experience increased strain as a consequence of economic, social, health or other factors.</p>	Actual	Actual	Medium	ED Adults & Communities
Potential for a safeguarding failure in Adult Social Care	<p>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, 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.</p>	Potential	Potential	Medium	ED Adults & Communities



<b>Risk Title</b>	<b>Risk Description</b>	<b>Impact</b>	<b>Status</b>	<b>Response Rating *</b>	<b>SMT Owner</b>
Emergency Resilience	There is a need to ensure that the Council has robust mechanisms in place to prepare for, respond to and recover from civil emergencies and business interruptions, and comply with the Council's statutory duties as a Category One responder under the Civil Contingencies Act 2004.	Actual	Potential	Medium	ED Core Services
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 Services
SEND	The Joint Area SEND Inspection (2021) sets out progress made and areas for improvement. The SEND Continuous Improvement Plan and Action Plan addressing the 2 Written Statements of Action will be submitted to Ofsted by 28/2/2022. The strategic multi agency SEND Overview Board provides governance to oversee progress and improvement. Governance and assurance provided by/to SMT and Cabinet through quarterly performance reporting for SEND. to Continued, prioritised focus in improving parent reengagement and strategic influence and identifying and supporting more children early with SEN support in local provision, avoiding escalation of need and out of borough placements.	Potential	Potential	Medium	ED Children's Services
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 cohorts.	Potential	Potential	Medium	ED Children's Services

\* The Response Rating reflects the urgency and importance of the intervention and management of the 'risk' rather than any inherent risk.