

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

Audit and Governance Committee – 14th September 2022

STRATEGIC CONCERNS / RISK REGISTER

1. Purpose of the report

- 1.1 To introduce the next scheduled strategic risks for the Audit and Governance Committee meeting to consider as presented by the appropriate Executive Director / Service Director.
- 1.2 Two strategic risks will be considered at this meeting:
- Glassworks – Executive Director Growth and Sustainability
 - Inclusive Economy – Executive Director Growth and Sustainability

2. Recommendation

2.1 The Committee is asked to note the update.

3. Current Position

- 3.1 The Strategic Risk Register was reviewed by the Senior Management Team (SMT) on 30th August and continues to contain 15 risks. SMT determined that 6 risks be classified as **high** (red response rating*) and 9 risks be classified as **medium** (amber rating). No risks are classified as **low** (green rating) in relation to the level of response and intervention required.

* NOTE - 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 2 risks to be considered in the meeting are included in the attached summary in Appendix 1.

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Date: 1st September 2022

Strategic Risks to be reviewed in the meeting – September 2022

Risk Title	Risk Description	Impact	Status	Response Rating	SMT Owner
Glassworks	<p>Risk Description: As a key strategic investment for the Council there is a need to ensure the ongoing success of the Glassworks. There are clear financial and reputational implications should the project fail to have the intended economic and social outcomes. The centre is currently 80% let, with a further 11% of floorspace in legals/advanced discussions, but there are a number of key risks still to be managed: the ongoing impact of the pandemic and changing consumer patterns for leisure and retail, continued competition from other more prosperous cities and locations for national and regional businesses; the ongoing challenges of bedding in the centre management team, systems and processes; the need for a life-cycle maintenance approach and the need to continue to push for tenant openings to build consumer confidence.</p> <p>Risk Assessment: Footfall in the town centre is consistently high and Barnsley is currently Number 2 in the Centre for Cities Top 10 for town centre footfall recovery. We have had enormous success in securing lettings for the scheme, but this is an increasingly competitive market, and we need to continue to offer a compelling value proposition to attract the final wave of businesses into the centre to bring us to close to 95% occupancy. The phased opening has worked well but there are continued issues with delays from supply chains for fitout, and issues businesses are having with securing energy suppliers. Our lettings agent Queensberry is working closely with us to mitigate these risks, but they require constant attention and momentum to address them on a daily basis.</p> <p>Action 1 Assurance regarding the effectiveness of the Glassworks Board and supporting subgroups RAG rating – Green</p> <p>Action 2 Assurance regarding the effectiveness of Glassworks leasing and intelligence around the retail sector to influence lettings RAG rating - Green</p>	Potential	Actual	Medium	ED Growth and Sustainability

Risk Title	Risk Description	Impact	Status	Response Rating	SMT Owner
	<p>Action 3 Robust and timely financial monitoring and reporting is in place. RAG rating – Green</p> <p>Action 4 Agreed Centre Management Plan is in place for the effective management of the Glassworks and an experienced Centre Management team with prior experience of operating centres like this has been put in place. The Centre Management team are being supported by a number of key Council teams to ensure the correct policies and procedures are in place, as well as receiving support from the Audit team. The CM team meet monthly to review all key issues and these meetings are attended by the SD Regen and Culture. The CM team also feed in regularly to GW Board. RAG rating – Amber</p> <p>Action 5 Monitoring town centre footfall and tracking trends is vital to ensure the Glassworks is delivering for residents, visitors and businesses. RAG rating – Green</p> <p>Action 6 Engage positively with CineWorld to identify their opening date and put in place a joint proactive pr, media and comms campaign as well as a major opening event to mark the opening of our anchor tenant. Address the news of Cineworld’s current financial restructuring and identify mitigations for the Council. RAG rating – Amber</p>				
Inclusive Economy	<p>Risk Description: The impact of Covid 19 has had a significant impact on the local economy. There has been a continued or accelerated downturn in the retail and visitor economy sector and the collapse of businesses and increased inflation has added to the pressure on the Council and partners' services. Businesses are also experiencing significant issues through supply chains and the cost of living crisis, in particular energy price increases.</p> <p>The Council needs to continue to work with partners to minimise the damage done to the borough's economy and to livelihoods through the Inclusive Economy Board and the suite of business support measures delivered</p>	Actual	Actual	Medium	ED Growth and Sustainability

Risk Title	Risk Description	Impact	Status	Response Rating	SMT Owner
	<p>through Enterprising Barnsley and our Employment and skills team. 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 with the risk of increased unemployment, redundancies, and low levels of job opportunities for young people and those furthest from the labour market.</p> <p>Ongoing work is needed to secure final lettings of the Glass Works, develop the principal towns' economies and to address retail contraction, in particular with the Alhambra, the finance/banking sector and major anchor businesses in the town centre. While we are now in recovery, the backdrop and risks have changed with increased risk of recession, constrained growth/retail spend, rising cost of living and inflationary pressures, all of which impact on our most disadvantaged households. Significant work is needed to ensure that our economically inactive population are equipped to participate in the economy and improve their livelihoods as well as ensuring there are pathways and progression routes for people of all ages to get into, get on and thrive in work.</p> <p>Risk Assessment: While Barnsley has done reasonably well following the pandemic, retaining, and building on footfall in the town centres and principal towns, these gains could be lost through market forces (retail contraction), changing consumer habits, increased cost of living impacts affecting discretionary spend, ongoing changes in the town centre fabric including the Alhambra going into receivership, and movement of key retailers in the town centre. All of this needs regular monitoring and scrutiny, as well as necessary mitigating action on an ongoing basis. The Inclusive Economy Board oversees this work on the TC and PTs (Inclusive Urban Centres) as well as our work to support those furthest from the Labour Market to access volunteering and other support and get into and get on in work through our More and Better Jobs strategy. The current Cost of Living crisis is also placing pressures on our inclusive economy, creating precarity for those furthest away from the labour market and the most vulnerable.</p> <p>Action 1 The Inclusive Economy Board oversees the development of our Inclusive Economy work, including the development of our inclusive urban centres, the 'good growth' strategy for the borough and the more and Better Jobs</p>				

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	<p>strategy. It meets every two months and is made up of key representatives from the business, community, and voluntary sector as well as education reps and skills providers. It looks to address key issues in our economy through action as well as overseeing key initiatives in our inclusive economy work. RAG rating – Green</p> <p>Action 2 Assurance that we have the necessary performance data and metrics in place to identify trends and issues and to allow timely and responsive interventions; these are reviewed as part of the Inclusive Economic Recovery Plan. RAG rating – Green</p> <p>Action 3 Our Enterprising Barnsley team and Employment and Skills team have run a number of business support and employment support programmes specifically designed to support businesses and individuals impacted upon through the pandemic. These programmes have helped businesses to survive and to stabilise through more effective business planning and opened up entrance level jobs for young people. These programmes are now mainstreamed into the core EB offer for businesses and Employment and skills teams to support them through the next phase of economic turmoil and ensure our businesses and residents can continue to earn good livelihoods for themselves and their families. RAG rating – Amber</p>				