

Brighton & Hove City Council

Audit & Standards Committee 25 July 2018

Appendix 1

Strategic Risk Focus Report: SR10, SR18, SR2 and SR25

Initial Rating		IMPACT				
LIKELIHOOD		Insignificant (1)	Minor (2)	Moderate (3)	Major (4)	Catastrophic (5)
	Almost Certain (5)	0	0	0	1	0
	Likely (4)	0	0	0	1	0
	Possible (3)	0	0	0	2	0
	Unlikely (2)	0	0	0	0	0
	Almost Impossible (1)	0	0	0	0	0

Revised Rating		IMPACT				
LIKELIHOOD		Insignificant (1)	Minor (2)	Moderate (3)	Major (4)	Catastrophic (5)
	Almost Certain (5)	0	0	0	0	0
	Likely (4)	0	0	0	1	0
	Possible (3)	0	0	0	3	0
	Unlikely (2)	0	0	0	0	0
	Almost Impossible (1)	0	0	0	0	0

1 - 3
Low
Monitor periodically

4 - 7
Moderate
Monitor if the risk levels increase

8 - 14
Significant
Review and ensure effective controls

15 - 25
High
Immediate action required & need to escalate to the management level above

Risk Details

Risk Code	Risk	Responsible Officer	Risk Category	Last Reviewed	Issue Type	Risk Treatment	Initial Rating	Revised Rating	Future Rating	Eff. of Control
SR10	Corporate Information Assets are inadequately controlled and vulnerable to cyber attack	Strategic Risk Owners ICT Business Engagement Manager	BHCC Strategic Risk, Legislative	08/05/18	Threat	Treat	<div style="background-color: red; color: black; text-align: center; padding: 5px;">Red</div> L4 x I4	<div style="background-color: orange; color: black; text-align: center; padding: 5px;">Amber</div> L3 x I4		Revised: Adequate

Causes

Link to Corporate Plan: Outcome ' A modern council: Providing open civic leadership and effective public services'

Inadequate Information Security

Inadequate Information Governance

Inadequate Information Management

due to lack of resource and organisational maturity and ever-increasing levels and complexity of threats at a time when the organisation increases information assets.

Potential Consequence(s)

- Individuals could suffer reputational, financial or physical harm,
- The council could suffer reputational and/or financial loss along with an inability to function effectively
- The financial sanctions available to the Information Commissioner's Office (ICO) are significant
- The Public Services Network (PSN) & Health & Social Care Information Centre (HSCIC) could impose operational sanctions which would be catastrophic for many services,
- Inadequate Information Governance management lends itself to poor Data Protection practices incl. non-compliant circulation of data & leaks
- It could result in a loss of trust in the council by citizens and partners.

Existing Controls

First Line of Defence: Management Action

These are set out under each of the 3 Risk Causes (in capital letters)

A) Controls re. Cause relating to INADEQUATE INFORMATION SECURITY

1. Physical access controls have been improved a result of the move to a data centre between 2015-2017

2. Cyber security controls introduced to minimise security risks and adoption of ITHC (IT Health Check) principles, an independent IT security assessment/accreditation, for internal security scanning

3. Protective monitoring technology has been introduced to provide threat, vulnerability and incident alerts
4. The council's Behaviour Framework applies to all staff and includes under 'Behaving Professionally' the text "I handle confidential matters and information discreetly and within set guidelines (e.g. Data Protection, data sharing protocols)
5. The incident management process has been reviewed and now integrates data breach and cyber security incidents

B) Controls re. Cause relating to INADEQUATE INFORMATION GOVERNANCE

6. A suite of Information Governance Policies are reviewed and approved annually
7. An information risk register has been developed and is regularly reviewed by ICT Mgt Team (ICTMT), Information Governance Board (IGB) and the Senior Information Risk Owner (SIRO)
8. iCasework deployed for FOI handling and corporate complaints (March 5th 2018). Process automation features provides some additional capacity in the FOI team to provide an improved 'value add' service. Improved data insight capabilities on FOI compliance are also created.
9. A programme of work to co-orientate GDPR activity via a corporate 'GDPR steering group' has been initiated
10. Under the GDPR programme a new Information Audit has been initiated. As part of the audit approach, information asset ownership has been establish across all directorates.

C) Controls re. Cause relating to INADEQUATE INFORMATION MANAGEMENT

11. Governance training package has been rolled out across the entire organisation
12. The key responsibilities of all with Leadership Roles at Tier 2, i.e. including all Executive Directors, includes: 'To be accountable for safeguarding and effective exploitation of all data and information systems within the area(s) managed in line with corporate risk management protocols, and in collaboration with services across the organisation.

Second Line of Defence: Corporate Oversight

- 1) The Senior Information Risk Owners (SIRO) oversees the organisation's approach to Information Risk Management, setting the culture along with risk appetite and tolerances;
- 2) The Information Governance Board ("IGB") oversees and provides leadership on Information Risk Management and obligations arising from legislation such as the Data Protection Act (DPA) 1998 & Freedom of Information (FOI) Act 1998;
- 3) The Caldicott Guardians (Executive Directors Families, Children & Learning; and Health & Social Care) have corporate responsibility for protecting the confidentiality of Health and Social Care service-user information and enabling appropriate information sharing;
- 4) The Information Governance Team operates as an independent function to provide advice, guidance and oversight in key areas.
- 5) Oversight of Audit and Standards Committee.
- 6) A Joint Orbis Data Protection Officer (DPO) has been in post as of May 2018. This role will assist in the monitoring of internal compliance, inform and advise on data protection obligations and provide advice regarding Data Protection Impact Assessments (DPIAs).

Third Line of Defence: Independent Assurance

- 1) Internal and external ICT audits provide an objective evaluation of the design and effectiveness of ICTs internal controls. An annual Internal Audit schedule is agreed with internal audit and Tiaa (IT audit partners) some focus audits specifically on Information Governance (IG) areas, but all will cover

some aspect of IG;

2) IT Health Check (ITHC) performed by a 'CHECK'/'CREST' approved external service provider – covering both applications and infrastructure assurance. The ITHC approach has been updated to include one standard annual check and one targeted solution specific check (e.g. the mobile service).

3) Continued assurance from compliance regimes, including Public Sector Network (PSN) CoCo (Code of Connection); HSCIC Information Governance Toolkit; and Payment Card Industry Data Security Standard (PCI DSS). PSN currently going through re-evaluation; IGToolkit submitted March 2018

Current assessment rationale: The impact level has been reduced to moderate to reflect the additional controls adopted at a technical layer. The move to the new Orbis Data Centre (ODC1) provided BHCC with a fully fault tolerant facility with full N+1 resilience across all sub systems to protect against a wide range of threats and to provide maximum reliability and availability.

Risk Action	Responsible Officer	Progress %	Due Date	Start Date	End Date
INFORMATION GOVERNANCE/INFORMATION SECURITY: Review and improve the identification, assessment and management of information risk Comments: July '18 update: a risk management review project is underway and is in design phase April '18 update: IG resource has been assigned and the scope and broad approach has been agreed with SIRO.	ICT Business Engagement Manager	30	31/12/18	02/04/18	31/12/18
INFORMATION GOVERNANCE: DPO benchmarking & audit Comments: July '18 update: The new DPO will carry out an benchmarking exercise to provide SIRO with assurance around compliance with the DPO framework and provide recommendations on any remedial actions	ICT Business Engagement Manager	0	28/09/18	01/08/18	28/09/18
INFORMATION MANAGEMENT/ INFORMATION GOVERNANCE Develop and launch a series of IG training modules	ICT Business Engagement Manager	60	29/06/18	28/04/17	29/06/18

Risk Action	Responsible Officer	Progress %	Due Date	Start Date	End Date
<p>Comments: July '18 Update: Activity is overdue due to other GDPR activity taking precedence. However, Storyboarding for online training is now complete and the first modules are due to be released in 4-6 weeks.</p> <p>April'18 Update: A refresh of training modules is underway. This is currently focused on the priorities associated with the GDPR programme and IG Framework. The first e-learning modules are being targeted at IAOs.</p> <p>Jan'18 update: The high level scope for training modules has been documented. Development modules will be included in the first phase of the GDPR project</p> <p>October'17 update: scope of training modules has been agreed, staff resources to be identified to develop content</p>					
INFORMATION MANAGMENT: Create an Information Sharing Agreement Register and use GDPR data mapping processes to identify info sharing governance gaps	ICT Business Engagement Manager	40	31/05/18	20/11/17	31/05/18
<p>Comments: July '18 update: A single template for ISAs has been agreed and is now in use (meaning ISA are no longer handled as exception). A sharing register has been created – next steps will be to use this to identify and publish gaps (based on the information audit)</p> <p>April 2018 Update: Progress has been limited and is currently on hold pending the production of an agreed template by Orbis Public Law (although it has been agreed that the ISR will be held in SharePoint). Heidi Judd (ESCC) is reviewing the Orbis Inter Agency Agreement to assess whether additional information sharing detail needs to be included in a revision.</p> <p>Jan'18 update: The Sharing Agreement Register (currently in held in AKA) has undergone an initial reviewed. The register will be added to and improved as a result of the information audit (GDPR project). The register will be and transferred to a more accessible format needs to be made more accessible and added to through above audit</p> <p>November'17 update: Work is due to commence 20/11/17</p>					
INFORMATION SECURITY: Access management project	ICT Business Engagement Manager	10	31/08/18	02/04/18	31/08/18

Risk Action	Responsible Officer	Progress %	Due Date	Start Date	End Date
<p>Comments: July '18 update: a scope for the work has been created, but failure to recruit resources to the PM and BA roles need to support this work has delayed project initiation</p> <p>April update '18: Business Case for discovery work and the delivery of an options paper (phase 1 of the overall project) has been approved at CMDDB (25.04.18).</p>					

Risk Details

Risk Code	Risk	Responsible Officer	Risk Category	Last Reviewed	Issue Type	Risk Treatment	Initial Rating	Revised Rating	Future Rating	Eff. of Control
SR18	Service outcomes are sub-optimal due to the lack of appropriate tools for officers to perform their roles	Executive Director of Finance & Resources Head of Digital Transformation ICT Business Engagement Manager	BHCC Strategic Risk, Technological	09/05/18	Threat	Treat	<div style="background-color: #FFD700; padding: 2px; text-align: center;">Amber</div> L3 x I4	<div style="background-color: #FFD700; padding: 2px; text-align: center;">Amber</div> L3 x I4		Revised: Uncertain

Causes

Link to Corporate Plan: Priority Economy, Jobs and Homes: Improve the City's digital infrastructure

Failure to adopt and adapt to new digital technologies caused by:

Sub-optimal technology capabilities - led by IT & Digital

1) Insufficient IT & Digital staff with the appropriate skills to interpret business need, create strategies and develop, implement, support and maintain new technologies

2) Insufficient investment in the underlying IT infrastructure and platforms

3) Insufficient investment in modern corporate and line of business applications and user device

Sub-optimal staffing capabilities - led by HR OD

4) Insufficient understanding and leadership at all levels of the organisation to exploit the opportunities of modern, digital IT to improve service delivery

5) Low level of basic technical skills in current staff and low confidence in using and innovating with information and technology

6) Failure to recruit/develop sufficient 'high-end' new skills (e.g. data analytics)

Sub-optimal data capabilities - as at July 2018 not resourced

7) Insufficient understanding, management and use of service and corporate data as an asset

Potential Consequence(s)

- Staff do not have appropriate access to the tools and information needed to carry out their roles
- Unable to transform services to achieve efficiencies and better outcomes for residents, communities, businesses and visitors
- Unable to meet organisational budget reductions if automated services are not introduced
- Less effective and engaging interactions with residents and communities
- Impact on council and city reputation as a digital city
- Staff morale affected
- Unable to attract and retain talent due to not meeting expectations of a modern working environment
- Limits ability to achieve relevant Corporate Plan objectives

Existing Controls

First Line of Defence: Management Action

1. Technology and Digital Board established to align priorities, coordinate co-delivery, remove blockers and track benefits
2. Data Insight Steering Group established to oversee the delivery of data & analytic capabilities
3. Working with Orbis partners to ensure resilient capacity, a sustainable set of core platforms, services and practices are in place to support and enable modernisation. Includes taking the learning early from others and using collective economies of scale.
4. Digital First programme has been established with a programme team and a clear timeline of work. Platforms now delivering new products for customers.

Reason for uncertainty: With the current investment levels adequate progress can be made, but opportunities to improve significantly will be limited. As a result, this will continue to be a risk

Second Line of Defence: Corporate Oversight



1. Tech & Digital Board in place to review progress, identify interventions where strategic changes on IT are required, and produce a re-focused strategy that aligns the needs of operations, Digital First, and the City.
2. Corporate Modernisation Delivery Board overseeing alignment of programmes and projects to Corporate Plan aims and reviewing any gaps. Includes oversight of ICT Infrastructure, Workstyles and Digital First programmes.
3. Quarterly Digital First Members Oversight Group.

Third Line of Defence: Independent Assurance

1. Annual staff survey
 2. Regular audits carried out across all aspects of IT and digital functions
 3. Internal Audit - 2017/18 audit of the Digital First Programme (Partial Assurance given). Annual staff survey has identified significant concerns with staff not having the right tools to do their jobs.
- In 2015/16 Audits included a review of the Modernisation Agenda (Reasonable Assurance).

Risk Action	Responsible Officer	Progress %	Due Date	Start Date	End Date
<p>Increase organisational capacity for service transformation by using Digital First team across services and silos to identify efficiencies online</p> <p>Comments: Digital product managers working in: HASC, Communities, Cityclean, Revenues and Benefits, Regulatory Services, Housing, Parking, Customer Service Centres to help services identify opportunities to transform putting the customer at the forefront. This is ongoing as part of a three year programme monitored by the Corporate Modernisation Delivery Board (CMDDB).</p> <p>From July 2018 - DF projects are focused on working in Cityclean, My Account, Field Officers. Secondary work will include Website, Revs and Bens, Parking, Integration platform and volunteers platform.</p> <p>New website launched https://new.brighton-hove.gov.uk/ - running in parallel to current website until approximately September 2018 when it will become the main site.</p>	Head of Digital Transformation	70	31/03/19	01/04/16	31/03/19
<p>Sub-optimal technology capabilities: Citrix user migration to new Citrix farm hosted in ODC1</p> <p>Comments: July '18 update: New Citrix environment developed in ODC1. Housing migration in progress.</p>	ICT Business Engagement Manager	40	31/12/18	01/02/18	31/12/18
<p>Sub-optimal technology capabilities: Office 365 programme phase 1 - exchange online, Skype for Business and InTune</p> <p>Comments: July '18 update: Exchange environment migrated to HTH, shared mailbox and calendar migrated to Exchange online, 300 users migrated to exchange online (currently paused to resolve Microsoft cloud issues). InTune environment set up. Skype4B VC set up for pilot group.</p>	ICT Business Engagement Manager	40	31/12/18	01/02/18	31/12/18

Risk Action	Responsible Officer	Progress %	Due Date	Start Date	End Date
Sub-optimal technology capabilities: Replace Blackberry estate with iPhones and establish new mobile phone service. Introduce service for tablet devices	ICT Business Engagement Manager	60	31/10/18	01/03/18	31/10/18
Comments: July '18 update: All members moved to iPhones on the inTune platform and MaaS360 decommissioned. Officer Blackberry replacement pilot successfully completed. Remaining Blackberry replacement work underway. Homelessness trailblazer and Field Officer tablets in trial/rollout phase. Last Updated:					
Sub-optimal technology capabilities: Replace laptop estate plus significant % of workstation estate and issue Windows 10 build.	ICT Business Engagement Manager	10	31/12/19	01/03/18	31/12/19
Comments: July '18 update: Window 10 planning activity underway. Workspace profiling survey initiated. Last Updated:					
Sub-optimal technology capabilities: Social Care and Housing service projects to replace core LoB systems of record and establish improved data management practices	ICT Business Engagement Manager	30	29/03/19	20/04/17	29/03/19
Comments: July '18 update: CareFirst replacement project is at contract award stage, OHMS replacement project is initiating procurement process. April '18 Update: both projects are in flight and at a pre-procurement stage. Requirements are being gathered and ratified. Both are large scale, long-term projects with only estimated end dates, as such the end date for this action has been extended to end of '18/'19. Jan'18 update: IT&D project resource (Project Manager) has been provided to run the IT work streams for both projects. The IT&D PM is liaising with relevant DF Product Managers, the IT&D Service Manager and Business Partners October'17 update: IT&D engagement will be led by a Business Partner from October/November 2017					

Risk Code	Risk	Responsible Officer	Risk Category	Last Reviewed	Issue Type	Risk Treatment	Initial Rating	Revised Rating	Future Rating	Eff. of Control
SR2	The council is not financially sustainable	Executive Director of Finance & Resources Head of Integrated Financial Management & Planning Deputy Chief Finance Officer Head of Performance, Improvement & Programmes	BHCC Strategic Risk, Economic / Financial	25/04/18	Threat	Treat	 L5 x I4	 L4 x I4		Revised: Adequate

Causes

Link to Corporate Plan: Outcome ' A modern council: Providing open civic leadership and effective public services'

Reductions in central government funding will continue through to 2020 under the 2015 Comprehensive Spending Review and potentially beyond. The changes to local government funding introduced in 2013/14 also transferred greater risks to the council, particularly in relation to Business Rate valuation appeals. There is a cumulative impact of reductions in government funding to other public agencies in the city. The greatest risk is from increasing cost and demands across demand-led services such as social care and homelessness.

Implementing 4-year Integrated Service & Financial Plans in 2016/17 and updating these and the Medium Term Financial Strategy annually is challenging given the continuing uncertainty in funding and taxation levels. There is increased uncertainty until HM Govt re-focuses on local government funding including retention of up to 75% of Business Rates and completion of the Fair Funding Review, both of which could have national distributional impacts.

Potential Consequence(s)

The council will need to continue robust financial planning in a highly complex environment. Failure to do so could impact on financial resilience and mean that outcomes for residents are not optimised.

Existing Controls

First Line of Defence: Management Controls

1. Ongoing review of the adequacy of risk provisions and reserves to support the medium term budget strategy and to ensure financial resilience 2.

Medium term resource projections (MTFS) and savings plans (4-Year Integrated Service & Financial Plans) are reviewed and revised where necessary to identify and address predicted budget gaps including identification of taxation and savings options.

3. Consultation and engagement with the Leadership (member oversight), cross-party Budget Review Group and partners (particularly the Clinical Commissioning Group 'CCG') for development and approval of the annual budget led by Executive Leadership Team (ELT) and the Chief Finance Officer (CFO).

4. Targeted Budget Management (TBM) Month 7 and month 9 projections are undertaken to accompany draft (Nov/Dec) and final (Feb) budget reports to ensure in-year pressures are reflected in resource projections and budget setting.

5. Taxbase forecasts and projections updated and reflected in the Medium Term Financial Strategy (MTFS) and annual budget proposals and reported by the statutory deadline (31 January).

6. Investment requirements reviewed and funding flexibility identified to ensure delivery of modernisation and savings proposals included in the 4-year plans.

* Key control: annual revenue and capital budgets approved by Full Council in February with a balanced budget and 'funded' capital programme;

* Revised TBM Monitoring regime introduced in 2017/18 to RAG rate budget performance with an escalating scale of scrutiny and intervention where continued overspending is evident. Interventions focus on development of Financial Recovery Plans approved and monitored by the CFO but can ultimately include 'special measures'.

Second Line of Defence: Corporate Oversight

1. Modernisation portfolio monitored by the Corporate Modernisation Delivery Board (CMDDB) and reviewed by cross-party Member Oversight group.

2. Close alignment of corporate priorities with the Medium Term Financial Strategy (MTFS) and, particularly, 4-year Integrated Service & Financial Plans.

3. Regular monitoring and review by Policy, Resources & Growth (PR&G) Committee of the MTFS assumptions, the impact of legislative changes; cost and demand pressures; savings programmes; and income, taxation and grant assumptions through TBM reporting and various budget reports (Jul, Nov/Dec, Jan and Feb).

4. Continued adoption by PR&G of the 4-year Integrated Service & Financial Planning (ISFP) approach which sets out plans through to 2019/20 and identifies investment requirements to ensure delivery.

5. Close monitoring by PR&G of council tax, business rates and other income and regular updating of forecasts.

6. Ongoing review and challenge of value for money including Member review, benchmarking, and external audit review and opinion.

7. The cross-party Budget Review Group reviews monthly TBM performance, including financial recovery plans.

8. The Administration's Budget Oversight Group provides oversight of the budget process for Committee Chairs.

9. Oversight of pooled funds and integrated arrangements through separate governance arrangements including Health & Well-being (HWB) Board, HASC Finance & Performance Board and representation on the SES STP Region Finance Group.

Third Line of Defence: Independent Assurance

1. Annual review by external auditors of Value for Money (VfM) arrangements leading to an opinion in the annual audit report

2. Internal audit reviews of budget management and financial planning arrangements. 2017/18 Financial Pressures (Reasonable Assurance). Eight internal audits were undertaken of other key financial systems. The majority were given Substantial or Reasonable assurance opinions with the exception of Council Tax and Debtors where a Partial assurance opinion was given.

2016/17. Budget setting (Reasonable Assurance).

2015/16. Income Generation (EDH) – Reasonable Assurance, Spend Controls (Reasonable Assurance)

Risk Action	Responsible Officer	Progress %	Due Date	Start Date	End Date
Continue to monitor impact of health sector reforms, integration and Better Care programmes.	Deputy Chief Finance Officer	25	31/03/19	01/04/15	31/03/19
<p>Comments: Monthly Health & Social Care (HASC) Finance & Performance Boards chaired by the Executive Director Finance & Resources (F&R) are now in place attended by Council and CCG finance, commissioning and performance experts. Better Care Fund (BCF) S75 Agreement for 2017/18 was agreed and the 2018/19 agreement and risk share has been finalised. Reporting on pool performance will be to HASC Finance & Performance (F&P) Board and via BCF governance (including H&WBB). Recovery plans and corrective measures will be proposed where necessary. A monthly reporting pack has been developed to support the governance process. The HASC F&P Board will also link into Health Integration (Caring Together) governance. A Joint Council and CCG meeting is planned for 17 July 2018 to consider current in-year pressures and deficit management across the CCG Alliance which has implications for the Brighton & Hove area.</p>					
Corporate Modernisation Delivery Board includes monitoring and RAG rating of critical VFM and other savings programmes that support the council's current and medium term financial position. Reporting links to TBM reporting which also monitors savings delivery.	Head of Performance, Improvement & Programmes	82	31/03/20	01/04/15	31/03/20
<p>Comments: Corporate Modernisation governance arrangements in place. Corporate Modernisation Delivery Board to continue to provide support and challenge to project/programme managers and Senior Responsible Owners. All budget figures reported link to the TBM process. Modernisation arrangements fully integrated within Service & Finance Planning 4-year planning process. Increasing pace of modernisation is one of the key areas of focus in 2018/19.</p>					
Delivery of modernisation programme financial and non-financial benefits	Deputy Chief Finance Officer	75	31/03/19	01/04/15	31/03/19

Risk Action	Responsible Officer	Progress %	Due Date	Start Date	End Date
<p>Comments: Regular monitoring of performance against target is submitted to Corporate Modernisation Delivery Board (CMDDB). Member Oversight Group meets quarterly to focus on each area of the Modernisation Programme including VFM savings programmes. All savings programmes have appropriate project and programme management resources in place. Detailed implementation plans are in place. Regular monitoring will be through monthly TBM reports to Directorate Management Teams (DMTs), Executive Leadership Board (ELT), Budget Review Group, and PR&G (5 times per year). The TBM regime has been revised to RAG rate performance with escalating interventions applicable where there is continued overspending. Interventions focus on the development of Financial Recovery Plans approved by the CFO. Underlying and projected pressures on demand-led budgets have been recognized in the Medium Term Financial Strategy and in annual budget setting to ensure budget gaps, and savings to close the gaps, are identified.</p>					
Devise and implement budget, MTFS and 4-year Integrated Service & Financial Planning timetable and process.	Deputy Chief Finance Officer	33	01/02/19	01/05/15	01/02/19
<p>Comments: 4-year Integrated Service & Financial Plans are now in their third year and have been approved for 2018/19 and 2019/20 (draft) proposals. An MTFS update is provided each July, Nov/Dec and February to PR&G to ensure resource projections and predicted budget gaps continue to be identified as early as possible with associated savings proposals (4-year plans). 2019/20 planning has started and a Budget Planning meeting with key finance staff was held on 22 May 2018 to confirm projected budget gaps, refresh service pressure information and RAG rate 2019/20 draft savings proposals. This information was reviewed at an ELT awayday on 13 June 2018 and a Budget Update report was submitted to 12 July PR&G setting the scene for developing the 2019/20 revenue and capital budgets, including a draft MTFS and revised budget gaps. A further ELT awayday is planned for 12 September to review proposals to close the remaining 2019/20 budget gap of circa £3m.</p>					
Meet Targeted Budget Management (TBM) reporting timetable and identify risk mitigation and corrective action where necessary	Deputy Chief Finance Officer	17	31/03/19	01/04/15	31/03/19

Risk Action	Responsible Officer	Progress %	Due Date	Start Date	End Date
<p>Comments: The current annual TBM reporting timetable has been produced and agreed. TBM Month 2 is the first reporting period each year to July PR&G. As last year, TBM reports will continue to be reported to the cross-party Budget Review Group (BRG) to ensure additional member oversight of the financial position. TBM reporting will identify risk mitigation and corrective action for overspending areas identified by RAG rating. A revised TBM regime ensures that escalating interventions apply where continued overspending (RED RAG) is evident. Interventions focus on additional scrutiny by the CFO and/or Chief Executive Officer (CEO), CFO approval of Financial Recovery Plans, and ultimately potential 'special measures' interventions where overspending persists. All 4-year savings programmes will also be monitored (including key VFM programmes) through the TBM report and via the Corporate Modernisation Delivery Board (CMDDB). TBM Month 2 2018/19 was reported to 12 July PR&G Committee indicating a forecast risk of £2.897m (1.3%) including a number of financial recovery measures.</p>					
Regular MTFS updates of the City Council's projected financial position for future years	Head of Integrated Financial Management & Planning	33	01/02/19	01/04/15	01/02/19
<p>Comments: A 4-year MTFS is updated and reported to PR&G in July, Nov/Dec and February each year. The MTFS links closely to 4-Year Integrated Service & Financial Plans (ISFPs) which have been adopted by the Council since 2016/17 and which identify savings programmes and related modernisation investment requirements (one-off) to address predicted budget gaps driven by reducing government grant funding and demand-led budget pressures. The budget and 4-year plans therefore identify clear plans and opportunities for managing the financial situation through to 2019/20. Potential changes to Local Government Finance are being closely monitored including the fair funding review, government announcements within the Autumn Statement, potential 75% Business Rate Retention, additional tax precepting and thresholds, Universal Credit impacts, Better Care funding and health integration, and capital flexibilities. Links to and monitoring of health funding are maintained through representation on the SES STP Region Finance Group and locally through the HASC Finance & Performance Board.</p>					

Risk Code	Risk	Responsible Officer	Risk Category	Last Reviewed	Issue Type	Risk Treatment	Initial Rating	Revised Rating	Future Rating	Eff. of Control
SR25	The lack of organisational capacity leads to sub-optimal service outcomes, financial losses, and reputational damage	Executive Director of Finance & Resources Head of Human Resources & Organisational Development Head of Policy, Partnerships & Scrutiny	BHCC Strategic Risk, Professional / Managerial	09/05/18	Threat	Treat	Amber L3 x I4	Amber L3 x I4		Revised: Uncertain

Causes

Link to Corporate Plan: Outcome ' A modern council: Providing open civic leadership and effective public services'

Loss of resilience of organisation due to pace of change, reduction in staff numbers, changing staff and loss of knowledge and history.

Expectations over the services that the council is able to provide and the way in which they are provided.

Potential Consequence(s)

- * Capacity to undertake change work to design high quality services is lost
- * Negative impact on fulfilment of statutory duties
- * Partnership working becomes more fragile as a result of personnel change
- * Personal resilience tested by increased workloads leading to potential stress and sickness
- * Difficulty of recruiting staff to key posts as a consequence of the rapidly increasing costs of living in the city

Existing Controls

First Line of Defence Management Control:

1. BPI team and Digital First programme seek to make process more efficient.
2. Management capacity and capability being enhanced by new Behaviours Framework and Management Development Programme
3. Adverse operating conditions are identified and intelligence received from the Staff Survey , and plans in place to mitigate these.
5. Human Resources & Organisational Development (HROD) activity has been pulled together into single 'People Promise' to ensure staff-related initiatives are better co-ordinated.
6. Business Planning process including Directorate Plans to identify key priorities
7. Some statutory Performance Indicators (PIs) are Key PIs and are reported regularly to ELT, quarterly or annually.
8. Other Management Information for example from the annual Staff Survey highlighting areas for focus.
9. HR Business Partners support Directorate Management Teams (DMTS) to monitor staff absence & welfare including managers' compliance with. regular 1 to 1s, return to work interviews and record keeping on Firstcare. This include regular data insight reports bi-annually.
10. HR policies and arrangements in place to address concerns of both management and staff, e.g. Occupational Health Referral newly procured with provider operational across Orbis partners; whistle-blowing; and PDP guidance for managers.
11. HR & OD organised consultative groups have developed a council Behavioural Framework approved by ELT in November 2016. This sets expectations of standards of behaviour and performance
12. HR Business Partners assist DMTs to determine any necessary interventions to improve service capacity

Second Line of Defence Corporate Oversight:

ELT and City Management Board exchange details of working arrangements and changes to key personnel across organisations

ELT tasked with taking stronger cross-City leadership role, e.g. with universities and the health sector.

Actions following Budget Stress Testing exercise including Managing Demand across Orbis services.

Portfolio of modernisation projects and programmes enabling increased organisational capacity such as ICT infrastructure, Business Improvement, Digital First, Workstyles, People and Culture Change

People Plan overseen by ELT, Leadership Board, and Polcy, Resources & Growth Committee.

Third Line of Defence Independent Assurance:

Internal Audit on Organisational Capacity in September 2017, opinion 'Partial assurance'. Key action is that budget process for 2019/20 will include capacity as a key consideration.

Reason for Uncertain Status of Effectiveness of Controls

Budget decisions will impact on the capacity of officers' capacity to deliver stated outcomes

Risk Action	Responsible Officer	Progress %	Due Date	Start Date	End Date
'A Better Brighton & Hove' think tank to deliver greater capacity for research and policy development.	Head of Policy, Partnerships & Scrutiny	60	28/06/19	04/07/17	28/06/19
Comments: July 2018					
Charitable status application has been submitted.					
Telehealth and Young Men Matter projects underway, and receiving regular reports at Board					
Drone Project initiated					
Update March 18 - Telehealth pilot commenced. 12 month pilot with 6 month evaluation. All other work streams are in progress.					
Update Jan 18 - Research into complex vulnerable young men has commenced providing information and insight for use by Families, Children and Learning in dealing with this cohort. This research is due to report in June 2019. Further development of Electric Vehicle (EV) scheme working in partnership with transport colleagues, Office of Low Omission Vehicles and private companies has assisted the city to bid for further resources.					
Oct 17 - A Better Brighton & Hove became operational in October 2017. In its first year it has funded various projects, from research to a one-off event, and has generated interest from various organisations across the city. The Think Tank aspect has invited presentations and discussions on various topics, some of which include machine learning and a potential proposal to encourage Brighton & Hove to become the leader in Electric Vehicle charging points. The actual benefit of projects funded has yet to be realised as most are still in the initiation phase but the potential benefits will continue to be monitored and analysed as the projects progress.					
July 17 update - Better has continued to meet and provide capacity and funding to specific areas of work, including Young Men Project; Transport Vision; Telehealth.					
Agreed in principle but specific funds to be agreed relate to 3D Mapping; Economic Strategy support Further potential areas include Parks; Social Enterprise Support.					

Risk Action	Responsible Officer	Progress %	Due Date	Start Date	End Date
Business case has been developed to pilot First Care Solutions as a pro-active absence management solution which has shown results and is in use at Surrey; and East Sussex Councils	Head of Human Resources & Organisational Development	100	31/03/18	01/02/17	31/03/18
<p>Comments:</p> <p>Progress update January 18</p> <p>System implemented from 1st December. Work on-going to maximise the use of more sophisticated management information that will be available via First Care system. This risk action is now closed and should be moved to business as usual within HROD.</p> <p>Full business case will be submitted to CMBD for approval in April 2017 with options for a full council service role out or a targeted approach to test the model in terms of staff attendance and cost efficiency. Unions have been consulted and have raised some questions that are being worked through ahead of the case presentation.</p> <p>July 17 update - Full business case agreed at CMBD and approved at PRG. Contract signed in July. Need to highlight the benefits for staff of OH approach linked to wellbeing. Monitoring of sick stats once in place to assess impact but one clear benefit will be the improvement to management information.</p> <p>October 17 update</p> <ul style="list-style-type: none"> - Union and staff engagement continued, including initial communications and posters - A clear timeline is in place for implementation on 1st November (with some contingency subject to system checking and union processes) - Management training underway - Work linked to the wellbeing work-stream of the people plan to focus on the benefits of immediate medical advice and support for staff 					
Corporate services now integrating into Orbis partnership following conclusion of Inter Authority Agreement (IAA) in May 2017. New IAA to be signed in May 2018.	Executive Director of Finance & Resources	100	31/05/18	13/10/16	31/05/18

Risk Action	Responsible Officer	Progress %	Due Date	Start Date	End Date
Comments: Integration with Orbis now well under way - senior management integrated across all services. Main challenge is effecting the transformation while delivering excellent services - genuine capacity risk. Draft 3 year business plan endorsed by Orbis Joint Committee on 20 October; final plan on 19 January. Orbis operational governance being re-constituted to be more risk and action-focused. Principle of 'Managing Demand' established and (potentially) will underpin future service re-designs. Budgets to be integrated from 1 April 2018.					
HR & OD developing management development programme to enhance capacity of first 4 tiers of staff	Head of Human Resources & Organisational Development	50	31/03/19	02/01/17	31/03/19
Comments: Progress update July 18 Following the work done by the Leadership Network to prioritise development needs, and information from the staff survey, 360 process and research to identify what the leadership development needs are a working group of HR and 7 leaders from across the organisation has been put together to plan the next steps for development. At a facilitated away day on 17th June the outline for a leadership development programme was developed, and presented back to a panel from the Leadership Network. Next steps will be to further scope the programme and commission the support needed to deliver the programme.					
HR working with others to develop a people strategy (Our People Promise) taking into account organisational needs and informed by our staff survey, corporate plan and our workforce data	Head of Human Resources & Organisational Development	50	31/03/19	01/04/16	31/03/19

Risk Action	Responsible Officer	Progress %	Due Date	Start Date	End Date
<p>Comments: Update July 18</p> <p>The People Promise report went to the PRG meeting on 14th June. There was cross party support for the programme of work. The behaviour framework has now been rolled out to the whole organisation and is being used in the current round of PDP conversations. In addition the rated end of year PDP's for the leadership have started, and dates for moderated sessions are in the diary for September. This will provide greater insight into areas of the organisation where further support is needed, or where there are performance issues that need to be addressed. Wellbeing initiatives have been identified, and in the last month the volunteering policy has been re-launched as well as a package of support available to those in our workforce with caring responsibilities. There are bespoke wellbeing initiatives now planned for various areas of the organisation including city clean, as well as some generic offers related to the outcomes of the wellbeing survey (i.e. pensions advice). Work has continued on the launch of our benefits package and this is now planned for September 2018. Work continues on the future allowance package and changes to our pay line in the future that could address recruitment and retention issues in key areas. Changes related to the VLW will be implemented in April 2019</p> <p>Links have been made with community groups to progress recruitment to key roles, and a programme of activity around how we market ourselves as an employer is being developed.</p> <p>Improvements in the completion of return to work meetings has been achieved through the implementation of FC. Completion rates for March were at 89% compared to a 62% completion rate at q4 in 16/17.</p> <p>Further work to develop Our People Promise continues, and in September 2018 a series of workshops involving every council work place will take place ensuring full engagement in shaping our next steps.</p>					
Internal Audit review completed in September 2017 - action plan to be worked through.	Executive Director of Finance & Resources	40	31/03/19	06/10/17	31/03/19
<p>Comments: Actions due to be completed by June 2018. These are around understanding the cost of statutory versus discretionary services and holding management information around the capacity of services.</p>					