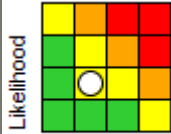



Key Risk Report
Executive Overview & Scrutiny 2022: 6th September 2022
Cabinet: 13th September 2022
(Updated on 5 September 2022 for Cabinet papers)




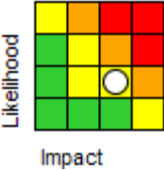
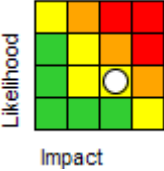
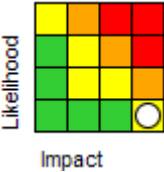
Responsible OUs	Head of Service	Title	Potential Effect	Internal Controls	Latest Note	Current Risk Matrix	Current Risk Assessment and Score
Chief Operating Officer	Jacqui Sinnott-Lacey	Failure for Tawd Valley Developments to deliver a financially sustainable Business Plan agreed by Council.	Tawd Valley Developments offers opportunities of generating income from developments however, volatility in development / financial markets can create risks on investments, which means there is the potential that significant sums of money could be lost.	<p>Approval of the annual business plan. Council review and approve the company's annual business plan. Any changes during the year to this will require Council approval. Company risk management strategy. The Company Directors have an agreed risk management strategy which is reviewed at board meetings</p> <p>Company Directors monitor delivery of the business plan. Performance against the delivery of the business plan is overseen by the Company Directors</p> <p>TVD Shareholder Cabinet Working Group. TVD Shareholder Cabinet Working Group established to monitor performance against the business plan and make recommendations to the COO on the exercise of her delegation as Shareholder for the Company</p> <p>Quarterly members update. Member's update reported to Corporate Overview & Scrutiny</p>	This reflects a forward-looking plan based on the outcome of the ongoing cross-party discussions.		4 Cautious

Responsible OUs	Head of Service	Title	Potential Effect	Internal Controls	Latest Note	Current Risk Matrix	Current Risk Assessment and Score
				<p>Gateway approval process. TVD carry out site appraisals and detailed analysis to determine viable schemes. Company directors approve scheme progression at various stages using gateway approval process</p> <p>Change tenure. The Council can change the scheme tenure to mitigate risk of market sale</p> <p>Reserved matters. Reserved matters are signed by Company Directors and set out decisions and matters which are reserved for the Council as shareholder</p>			
Corporate & Customer Services	Lisa Windle	Failure or Prolonged Loss of ICT	<ul style="list-style-type: none"> • Data Integrity Issues with one or more systems • Security Breaches including System Attack (hacking, malware and virus injection) • Infrastructure Failure (hardware or software) • Inadequate Resilience (Infrastructure Hardware or Systems) • Inadequate Measures against theft or unauthorised removal of ICT equipment • Lack of Resource (Staffing) due to high absence levels <p>Possible consequences of any of the above</p>	<p>Corporate sign-off of critical systems</p> <p>Business Continuity arrangements for Services (WLBC)</p> <p>Failover testing of power and infrastructure (LCC Digital)</p> <p>Formal ICT change management process (LCC Digital)</p> <p>Strategic (LCC Digital) roadmap for system upgrades and replacement to deliver a more robust infrastructure. Strategic move from on-premises to hosted infrastructure.</p>	<p>We are currently in the process of reviewing ICT systems to ensure they are at the latest level. This is in relation to hardware and software. Those systems that can be updated will be and others will require replacement or decommissioning.</p>	 <p>Likelihood</p> <p>Impact</p>	4 Cautious


Responsible OUs	Head of Service	Title	Potential Effect	Internal Controls	Latest Note	Current Risk Matrix	Current Risk Assessment and Score
			<ul style="list-style-type: none"> • Loss of ICT (Systems, Data, Access or Connectivity) • Inability to provide business critical systems or services (i.e. contact centre, planning) etc. • Loss of reputation • Loss of productivity 				
Corporate & Customer Services	Lisa Windle	Recruitment and Retention of Staff	<ul style="list-style-type: none"> • Adverse impact on services unable to meet key priorities. • Risk of financial penalties and special measures for non-compliance in delivering statutory and regulatory functions. • Additional pressure on existing staff covering workloads in the absence of a replacement with the risk of stress and increased sickness absence. • That our salary and benefits offer does not keep pace with competitors in the marketplace and we are unable to attract and appoint suitable candidates. • Unprecedented resignations in a service could lead to business continuity issues if 	<ul style="list-style-type: none"> • Workforce planning is integrated into the annual service business planning process. • On the resignation of the post holder the structure and job role are reviewed to ensure they meet service requirements. • Vacant and new posts are advertised promptly following a robust approval process. • Utilising on-line recruitment methods for ease of application and reduction of cost. • Monitoring timescales and addressing blockages to reduce recruitment timescales • We are developing a new induction process to support new employees settle into the authority and understand it's visions and objectives. • Effective probation to establish areas of support for new employees. • Developing apprenticeships to build internal talent. • Mandatory training to ensure all new employees receive the initial training they need to become effective in their role. • Utilising information from exit 	<p>Post Covid recruitment has become increasingly challenging at all levels. The cost of living and opportunities for remote and hybrid working has changed the candidate marketplace. There are more jobs than suitable candidates. We have found professional and management posts are key risks as we are unable to recruit the calibre of candidates due to the salary we offer.</p> <p>CMT have commissioned a recruitment and retention project to address the difficulties the Council is facing with attracting and securing suitable candidates. Initial findings are that all aspects of our employment offer, pre and during employment need to be addressed to minimise the risk in this area.</p> <p>The highest risk identified is the pay and grading structure. This does not support attraction of</p>	 <p>Likelihood</p> <p>Impact</p>	9 Concerned

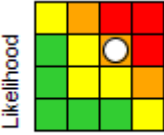

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			<p>there is no handover or resources to carry out key activities including statutory and regulatory functions.</p> <ul style="list-style-type: none"> • Key staff could continue to leave if we are unable to develop them as stars of the future by investing in their development. This would leave critical roles vacant impacting on service delivery and with no contingency in place. 	<p>interviews to identify trends where action can be taken to improve retention.</p> <ul style="list-style-type: none"> • Utilising annual appraisals to identify issues and support personal and team development. • Introducing a matrix contract for short term agency workers to cover key roles where recruitment has been difficult, or the post holder will leave before a replacement is in post. • Option of using off-contract agencies to secure workers for key hard to fill roles on a short-term basis. 	<p>suitable candidates in comparison to competitor employers and limited pay progression when employed.</p> <p>Feedback from exit interviews and the recent staff survey have been that our salaries and benefits are considerable below that offered by other authorities and key employers in the region. Staff, who we know are passionate and committed to WLBC, are being bombarded with offers from agencies and other authorities at a higher rate as demand for their skills increases. If we do not support their personal development and keep pace with benefits and personal development, there is a risk we will lose them.</p> <p>Evidence is that we are falling behind other employers and turnover has increased as a result of this. We have lost key talent which has impacted on service delivery, and we need to address this as a matter of urgency.</p> <p>Due to the candidate shortage we need to build upon the successes of the Kickstart and apprenticeship schemes we must develop a 'grow our own' programme working with universities, schools and our communities to recruit to post and develop the skills we need to meet current and future</p>		

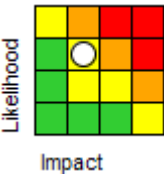
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					<p>demands.</p> <p>Currently our staff work 36 hours per week, which is attractive to candidates as hours per week can be 37.5 to 40 elsewhere. The LGA are proposing 35 hours per week which we will need to consider ensuring this remains an attractive benefit for WLBC. We will also need to continue to offer flexible working arrangements to attract candidates from remote locations who may have the skills we need. A review of our benefits will need to be undertaken and creative solutions proposed to ensure we can utilise them to attract candidates and retain staff.</p> <p>All employee related policies and procedures will also need to be reviewed to ensure they are fit for purpose and support our aim of being the employer of choice in the Borough.</p>		
Corporate & Customer Services	Lisa Windle	Ability to transform into a digital Council and deliver technological changes in line with customer expectation due to the investment required to upgrade an	<p>Lack of progress in the Council achieving its digital ambition and driving customers to a self-serve first approach.</p> <p>Investments in ICT not realised due to changes in systems suppliers.</p>	<p>Strategic application and platform roadmap being developed with assistance from suppliers and LCC Digital.</p> <p>Service Action Plan (SAP) Processes to capture and identify opportunities. Linking similar projects will deliver efficiencies in project management.</p>	<p>Revised Service Action Plan (SAP) Process to include new SAP Form linked to return on investment via cost benefit analysis.</p> <p>Project prioritisation matrix being established.</p>		6 Cautious


Responsible OUs	Head of Service	Title	Potential Effect	Internal Controls	Latest Note	Current Risk Matrix	Current Risk Assessment and Score
		ageing ICT estate.					
Corporate & Customer Services	Lisa Windle	Effective Management of Cyber Security	The Council controls a large amount of sensitive data and assets of value to cyber criminals, although given the nature of the Council's work unlikely to be a specific primary target in comparison with other organisations. This gives the potential for harm via unauthorised access, destruction, disclosure, modification of information and/or denial of service.	LCC Digital has a robust infrastructure to prevent cyber-attacks that is updated on a frequent basis. LCC Digital has a specialist team trained and certified to implement and maintain this infrastructure. Staff are trained to identify threats and are educated in the basics of cyber security.	LCC Digital are proactively managing all systems relating to cyber security. Training and refresher training for WLBC staff in relation to changing threats remains ongoing.	 Likelihood Impact	6 Cautious
Finance, Procurement & Commercial Services	James Pierce	Achieving a balanced General Revenue Account budget position	On-going reductions in Government funding and other financial pressures will need to be addressed to meet the statutory requirement to set a balanced budget.	Regular Review and update of medium-term financial forecast. Review of any savings requirement & delivery in order to close any budget gap Provision of regular monthly financial monitoring. This is conducted by the finance team to budget holders. Quarterly reporting to Members. Regular review and update of reserves.	The latest iteration of the Medium-Term Financial Strategy indicates an improved financial position over the medium term and a balanced budget position being achievable over the next three years. 2021 outturn showed a balanced position. The next update of the MTFs will be to September Council.	 Likelihood Impact	6 Cautious
Finance, Procurement & Commercial Services	James Pierce	Potential Treasury Management Investment Losses.	Volatility in financial markets can create risks on investments, which means there is the potential that significant sums of	Treasury management policy and strategy in place. Well trained staff make investments with the guidance of brokers and treasury advisors	The GRA and HRA yearend position show there are material shortfalls in investment returns. The increase in interest rates in response to the inflationary situation in the UK	 Likelihood Impact	4 Cautious





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			money could be lost.	Investments can only be made in top rated UK based institutions or other local Authorities.	in anticipated to have a favourable interest in Treasury Management returns in 22-23.		
Finance, Procurement & Commercial Services	James Pierce	External Funding Uncertainty	Impact on delivery of strategic projects and priorities	<p>Medium Term Financial Strategy in Place. Regularly updated with changes and assumptions revisited.</p> <p>Ensure commercial strategy is fit for purpose. Ensure that all our investments generate a positive financial return for the Council</p> <p>To manage and grow our development company. To ensure our development company continues to generate a profit through its business activities.</p>	The commercial strategy has been updated to reflect changes in the PWLB rules (the inability to invest purely for yield purposes). This does not affect development within the Borough. A shareholder committee has been set up and is considering the future direction and remit of TVD.		6 Cautious
Finance, Procurement & Commercial Services	James Pierce	Significant failure to comply with General Data Protection Regulation (GDPR and Data Protection Act 2018).	<p>The GDPR and Data Protection Act 2018 brought considerable changes to the current data protection framework and the Council must deliver its services in accordance with it. There are substantial enhancements to the current requirements as well as some new elements. Compliance had significant resource implications in terms of budget, IT, Governance and communications. There are a range of sanctions for breaches including fines and damages. Failure to report a breach would result in a fine as well</p>	<p>23 controls have been recorded against the risk to evidence the various elements of compliance. All controls have been scored as to their current adequacy and effectiveness.</p> <p>3 have been scored as fully effective where system enforced controls are in place i.e., system access controls, corporate mobile device security features and system back up.</p> <p>18 have been scored as partially effective as there is an element of manual intervention i.e., E Learning modules (generic for all staff and bespoke for Information Asset Owners) Policies and Procedures, Corporate Privacy Notice, Record of Processing Activities, Retention and Disposal Schedules, Data Protection Impact Assessments and Data Sharing Agreements.</p>	<p>There is a clear organisational structure for managing Data Protection and Information Governance, which provides strong leadership and oversight, clear reporting lines, responsibilities and effective information flows i.e. Senior Information Risk Officer (SIRO) Data Protection Officer (DPO) Information Governance Officer, Information Asset Owners and Information Governance Link Officers within each service area who also attend the bi monthly Information Governance Committee from which key information is disseminated down to individual service areas and acted upon where necessary.</p> <p>Following the Effective Data Management (EDM) project</p>		4 Cautious

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			as a fine for the breach itself.	<p>3 areas have been scored as not effective with work either underway or in the pipeline to address.</p> <p>All control elements will continue to be examined and enhanced as work continues to strengthen our GDPR compliance</p>	<p>significant work has been undertaken to strengthen the controls we have in place and the education of our staff. This work will continue through future data workstreams and the coordination of those activities via the bi-monthly Information Governance Committee. To reflect this work, controls have been added to the risk and scored as to their adequacy and effectiveness which has resulted in the risk being re assessed as 4 Cautious.</p>		
Housing Services	Head of Housing Services	Landlord Compliance & Regulatory Requirements (Health & Safety)	Injury or death to tenants, resident or visitors. Significant adverse publicity. Regulatory impact.	<p>We have gone through an external consultants Compliance Audit. All key areas of compliance including gas, electrical, fire risk, water hygiene, lifting equipment & asbestos management were checked and have now been validated.</p> <p>Following the external audit all policies, processes and procedures were revised and updated and will continue to be reviewed regularly.</p> <p>An internal audit is currently ongoing, and any recommendations will be actioned.</p> <p>A timetable of inspections is carried out which involve visiting every property at least annually to check compliance issues.</p> <p>We enforce a no access and escalation procedure with legal intervention to ensure all properties are inspected</p>	<p>The internal audit started on 23rd May 2022 and is due to complete by the end of the financial year.</p> <p>Compliance currently stands at gas 99.9%, electric 96%. Fire risk, legionella, and asbestos risk assessments and surveys are 100% compliant in all domestic stock.</p>	 <p>Likelihood</p> <p>Impact</p>	8 Concerned

Responsible OUs	Head of Service	Title	Potential Effect	Internal Controls	Latest Note	Current Risk Matrix	Current Risk Assessment and Score
				within the appropriate timescales.			
Planning & Regulatory Service	Paul Charlson	Planning Services staff resources	Lack of permanent staff resource resulting in potential sustained delay to the processing of applications. This is an enduring risk and there is a very real risk of the Council being put into special measures.	We are still actively recruiting to vacant positions and officers are examining job descriptions to ensure parity with other local Councils.	Recruitment continues to be difficult. Several key posts have been successfully recruited to. These are expected during July/Aug/Sept. However, there are a significant number of posts that remain vacant after advertising.	 <p>Likelihood</p> <p>Impact</p>	9 Concerned
Planning & Regulatory Service	Paul Charlson	Community Infrastructure Levy (CIL)	Lack of staff resource has led to only reactive work being completed and does not extend to include proactive CIL work such as enforcement action, checking monies allocated to Parish Councils have been spent appropriately. There are financial and reputational consequences for the Council in not undertaking the governance and associated activities. Very large sums of money are involved. This issue also includes the consequences of not producing an Infrastructure Funding Statement by December (required by Regulation 121A of the Community Infrastructure Levy	Staff have been recruited to positions and once in position will be able to better mitigate this risk, but this could take 6-12 months.	New staff are expected in the planning policy team during July and Aug. The dedicated CIL officer post has also been recruited to and is expected in post Sept/Oct. All of these appointments will take time to bed in and so relevant risks are not immediately mitigated.	 <p>Likelihood</p> <p>Impact</p>	9 Concerned

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			Regulations 2010 (as amended)).				
Planning & Regulatory Service	Paul Charlson	Delays In Preparation of new Local Plan	<p>The preparation of a Local Plan is a complicated and lengthy process involving various different parties and so a number of factors can potentially cause delay. Should the preparation of a new Local Plan be delayed, the existing adopted Local Plan becomes more out-of-date over time, potentially weakening the ability of the Council to defend decisions based upon it. New opportunities for development may be restricted and may come forward on an ad hoc, unplanned basis. There is potential for Government to intervene in plan-making if insufficient progress is being made.</p>	<p>Timetabling. Set a realistic timetable taking into account resources, constraints, and linked timetables (e.g., Committee cycles).</p> <p>Project management. Ensure strong programme / project management.</p> <p>Communication - Statutory Consultees. Advise necessary bodies (e.g., Planning Inspectorate) of intentions at the earliest possible time.</p> <p>Member engagement. Engage with Members (e.g., via Cabinet Working Group) to seek cross-party consensus</p> <p>Communication – Members. Share information early with Members to reduce the likelihood of late amendments</p> <p>Budgetary provision. Obtain adequate budgetary provision for required consultancy support</p> <p>Staffing. Maximise flexibility across the Service so that planning officers from other teams can help with workload. Ensure quick replacement of any vacant posts.</p> <p>Joint working. Explore opportunities for joint working and service sharing. Liaise with external bodies and seek their agreement early. Establish clear working arrangements with partners when working jointly.</p>	<p>No progress has been made due to lack of staff resources. However, we have recruited to three key posts and these officers started from late July.</p>		6 Cautious

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				<p>Legal / policy compliance. Ensure procedures, Acts and Regulations are complied with. Closely monitor and follow national policy and guidance.</p> <p>Follow best practice. Monitor key planning decisions nationwide to ascertain correct and best practice. Make use of such resources as the PAS Local Plan toolkit and 'Critical Friend'.</p>			
Wellbeing & Place Services	Simon Kirby	Not agreeing on and delivering a sustainable and affordable leisure provision	If we are not able to deliver this there will be a continued need to subsidise existing buildings and the inability to develop new provision.	<p>Project Governance.</p> <p>Internal project team meetings in place comprising financial, procurement and legal representatives.</p> <p>Regular meetings with CMT and Cabinet.</p> <p>Working Groups to progress sustainable and affordable options.</p>	<p>The contract will be extended for a period of three months to enable the procurement exercise to be undertaken in a full and detailed manner – which in the long term should offer value for money for the Council.</p> <p>The record of decision does enable the Council to extend for an additional six months although the new contract start date we will be working to is 1st July 2023. Officers will continue to review the timescale throughout the procurement process and make amendments as necessary in the interests of the Council.</p> <p>WLBC's narrative within the documentation has changed considerably, risks and gains will be shared between operator and Council, with the aim of lessening subsidy throughout the duration of the agreement.</p>	 <p>Likelihood</p> <p>Impact</p>	9 Concerned

Risk Status	
	Critical
	Concerned
	Cautious
	Comfortable