
Audit and Standards Committee – 6th December 2023

Report of the Director of Finance and Legal Services

Risk Management Report

Purpose

1. To discuss the risks reported to Strategic Executive Board (SEB) and the status allocated by the Risk Owner.
2. To discuss other risks for possible inclusion on the SEB risk report.

Recommendations

3. It is recommended that Audit and Standards Committee:
 - Notes and comments on the risks detailed in paragraphs 4 and 8.
 - Identifies any additional risks that it considers should form part of the SEB risk report.
 - Identifies a risk for detailed scrutiny at the April 2024 meeting of this Committee.

Background

Current SEB Risks – as reported at 31st October 2023

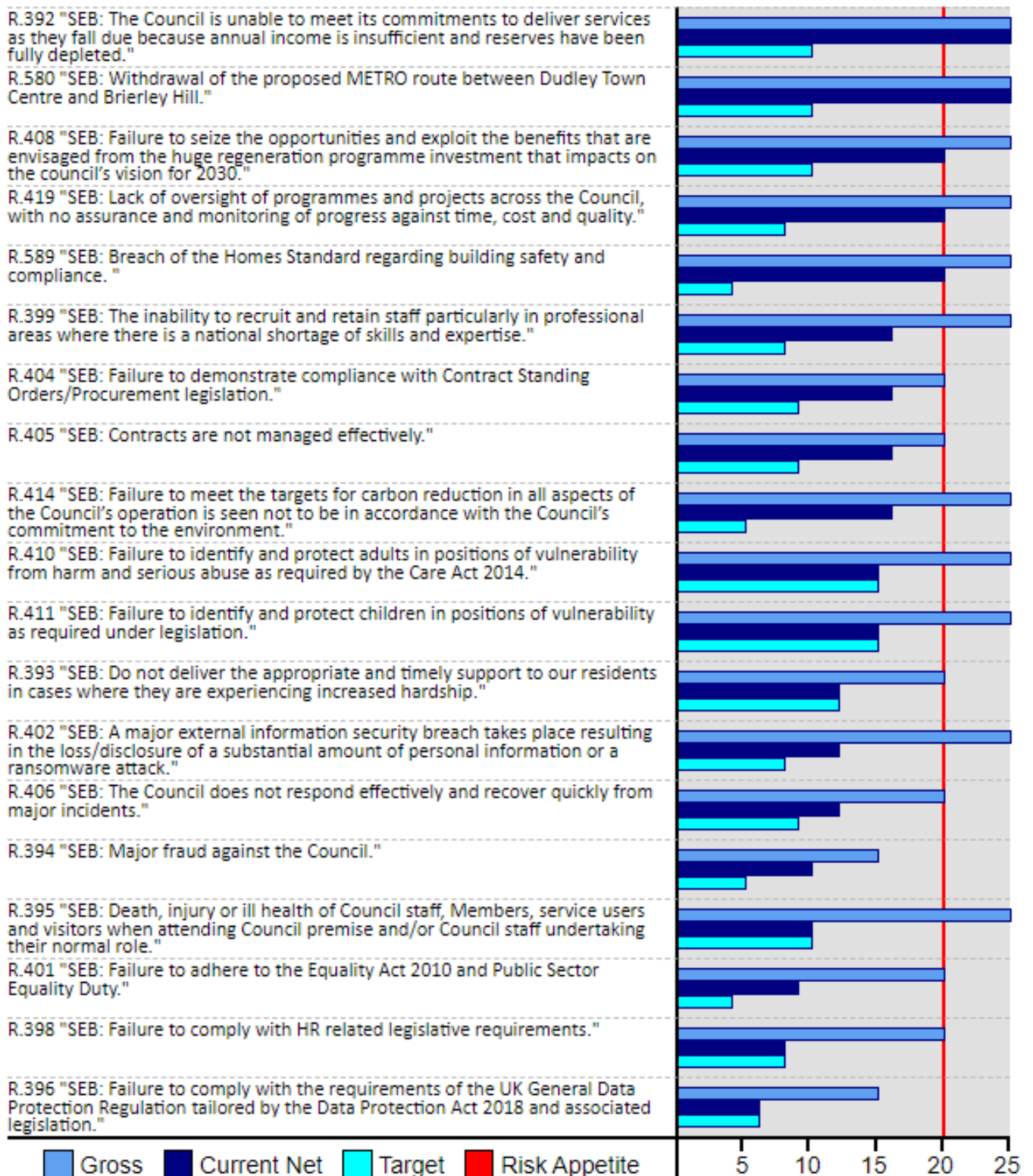
4. The risk ratings listed below have been scored by the Risk Owner in accordance with the Likelihood and Impact definitions in the Risk Management Framework. Full details of the Very High Net risks included in the SEB risk report are included at **Appendix B**.

■ Very High (20-25)
 ■ High (12-19)
 ■ Medium (5-11)
 ■ Low (1-4)

#	Risk Event / Responsible Org Unit	Gross	Net	Target
1	R.398 "SEB: Failure to comply with HR related legislative requirements." Chief Executive's	20	8	8
Reviewed: 09/02/2017				
2	R.399 "SEB: The inability to recruit and retain staff particularly in professional areas where there is a national shortage of skills and expertise." Chief Executive's	25	16	8
Reviewed: 05/12/2022				
3	R.401 "SEB: Failure to adhere to the Equality Act 2010 and Public Sector Equality Duty." Chief Executive's	20	9	4
Reviewed:				
4	R.419 "SEB: Lack of oversight of programmes and projects across the Council, with no assurance and monitoring of progress against time, cost and quality." Chief Executive's	25	20	8
Reviewed:				
5	R.410 "SEB: Failure to identify and protect adults in positions of vulnerability from harm and serious abuse as required by the Care Act 2014." Directorate of Adult Social Care	25	15	15
Reviewed: 07/12/2020				
6	R.411 "SEB: Failure to identify and protect children in positions of vulnerability as required under legislation." Directorate of Children's Services	25	15	15
Reviewed: 23/05/2021				
7	R.402 "SEB: A major external information security breach takes place resulting in the loss/disclosure of a substantial amount of personal information or a ransomware attack." Directorate of Digital, Customer & Commercial Services	25	12	8
Reviewed: 15/04/2022				
8	R.404 "SEB: Failure to demonstrate compliance with Contract Standing Orders/Procurement legislation." Directorate of Digital, Customer & Commercial Services	20	16	9
Reviewed: 20/04/2023				
9	R.405 "SEB: Contracts are not managed effectively." Directorate of Digital, Customer & Commercial Services	20	16	9

#	Risk Event / Responsible Org Unit	Gross	Net	Target
Reviewed:				
10	R.414 "SEB: Failure to meet the targets for carbon reduction in all aspects of the Council's operation is seen not to be in accordance with the Council's commitment to the environment." Directorate of Environment	25	16	5
Reviewed:				
11	R.392 "SEB: The Council is unable to meet its commitments to deliver services (including services funded from the HRA and other ring fenced funds) as they fall due because annual income is insufficient and reserves have been fully depleted." Directorate of Finance & Legal Services	25	25	10
Reviewed: 26/07/2017				
12	R.393 "SEB: Do not deliver the appropriate and timely support to our residents in cases where they are experiencing increased hardship." Directorate of Finance & Legal Services	20	12	12
Reviewed: 21/04/2021				
13	R.394 "SEB: Major fraud against the Council." Directorate of Finance & Legal Services	15	10	5
Reviewed: 15/04/2015				
14	R.395 "SEB: Death, injury or ill health of Council staff, Members, service users and visitors when attending Council premise and/or Council staff undertaking their normal role." Directorate of Finance & Legal Services	25	10	10
Reviewed: 20/09/2021				
15	R.396 "SEB: Failure to comply with the requirements of the UK General Data Protection Regulation tailored by the Data Protection Act 2018 and associated legislation." Directorate of Finance & Legal Services	15	6	6
Reviewed: 09/12/2014				
16	R.589 "SEB: Breach of the Homes Standard regarding building safety and compliance. " Directorate of Housing & Communities	25	20	4
Reviewed:				
17	R.406 "SEB: The Council does not respond effectively and recover quickly from major incidents." Directorate of Public Health & Wellbeing	20	12	9
Reviewed: 21/12/2017				
18	R.408 "SEB: Failure to seize the opportunities and exploit the benefits that are envisaged from the huge regeneration programme investment that impacts on the council's vision for 2030." Directorate of Regeneration & Enterprise	25	20	10
Reviewed: 6/12/2023				
19	R.580 "SEB: Withdrawal of the funding for the METRO route between Dudley Town Centre and Brierley Hill." Directorate of Regeneration & Enterprise	25	25	10
Reviewed:				

5. The graph below shows a comparison of the Gross, Net and Target risk ratings against the Council's acknowledged risk appetite:



6. The table at paragraph 4 above shows the following:

- There are 17 risks rated Very High at the Gross level.
- There are 5 risks rated Very High at the Net level. The 5 risks are:
 - R.392 (budget)
 - R.408 (regeneration benefits)
 - R.419 (programme management)
 - R.580 (funding for the proposed METRO route)
 - R.589 (Breach of the Homes Standard regarding building safety and compliance). This risk was previously R.413.

7. Following a review of the SEB Risks by Strategic Executive Board on 15th November 2023, it was agreed that an additional SEB Risk was to be identified. The risk was defined, and the ratings were agreed by SEB, and are detailed below. However full details of Mitigating Actions to be progressed and assigning these actions is still being determined and agreed.

Risk Event / Responsible Org Unit	Gross	Net	Target
Risk – The Council fails to deliver the actions raised within the Corporate Peer Review Action Plan, failing to address actions raised to improve the budget position, governance arrangements and management controls across the organisation. Directorate of Chief Executive's	20	20	12

Directorate Risks

8. The Risk Management Framework also requires that all directorate Net risks rated Very High are also notified to Strategic Executive Board and Audit and Standards Committee. Full details of the Very High Net risks included on Directorate reports are included at **Appendix C**.

■ Very High (20-25)
 ■ High (12-19)
 ■ Medium (5-11)
 ■ Low (1-4)

#	Risk Event / Responsible Org Unit	Gross	Net	Target
1	R.559 "Children's Social Care: We cannot manage the cost of placements within the current budget." Directorate of Children's Services	20	20	8
2	R.452 "Revenues & Benefits: Failure to secure ICT resources to deliver efficient and effective Revenue and Benefit Services." Directorate of Finance & Legal Services	20	20	4
3	R.590 "Housing: Failure to maintain the quality of existing housing stock, in line with Decent Homes and housing health and safety rating system (HHSRS) regulatory requirements." Directorate of Housing & Communities	25	20	6

#	Risk Event / Responsible Org Unit	Gross	Net	Target
4	R.595 "Housing: Failure to meet the Council's regulatory and statutory duties, including but not limited to those relating to safeguarding, building compliance, homelessness, community safety and private sector housing." Directorate of Housing & Communities	25	20	4
5	R.553 "Planning: The Building Control service is unable to comply with the requirements of the new Building Safety Bill." Directorate of Regeneration & Enterprise	20	20	9

Risk Reporting

9. All risks that are rated Very High (Net) are above the Council's risk appetite, are generally unacceptable and where it is possible to manage the risk down to acceptable levels, immediate action should be taken. **Appendix A** shows for the risks that are currently rated Very High at the residual level, the ratings for the previous quarters. This shows there are a number of risks where the rating has not changed in 3 or more quarters.
10. Audit and Standards Committee at its meeting of the 20th April 2023 selected risk R.408 "Failure to seize the opportunities and exploit the benefits that are envisaged from the huge regeneration programme investment that impacts on the council's vision for 2030" for detailed scrutiny at its December meeting.

Finance

11. The Director of Finance and Legal Services is currently undertaking a review of the resources allocated to Audit and Risk Management Services.

Law

12. The Accounts and Audit Regulations 2015 require each relevant authority to have a sound system of internal control which includes effective arrangements for the management of risk.

Risk Management

13. This report does not create any new risks. Although, new risks are put forward for consideration for inclusion on the SEB risk report.

Equality Impact

14. This report does not raise any equality issues.
15. An effective risk management framework will help protect the interests of children and young people, albeit they were not consulted on, or involved, with the development of this report.

Human Resources/Organisational Development

16. The lack of appropriate resources within Audit and Risk Management Services is affecting its ability to support the embedding of the Risk Management Framework.

Commercial/Procurement

17. There are no commercial/procurement considerations relating to this report.

Environment/Climate Change

18. There are no direct environmental implications within this report impacting on the Council's work to address Climate Change and achieve our Net Zero target by 2030. However, a risk has been identified in relation to climate change.

Council Priorities and Projects

19. An effective risk management framework will help to ensure that Council priorities are met.



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Background Documents

Appendix A – Very High Net Risks - Movement in Rating

Appendix B – Risks included on the SEB risk report that are rated Very High (Net)

Appendix C – Directorate risks rated Very High (Net)

APPENDIX A

Very High Net Risks- Movement in Rating

Risk Event	Inherent Score (Gross)	Target Score	Oct-Dec Score (Net)	Jan-Mar Score (Net)	Apr-Jun Score (Net)	Jul-Sep Score (Net)
<p>[1] R.392 “SEB: The Council is unable to meet its commitments to deliver services (including services funded from the HRA and other ringfenced funds) as they fall due because annual income is insufficient and reserves have been fully depleted.”</p> <p>Risk Owner: Director of Finance & Legal Services</p>	25 Very High	10 Medium	20 Very High	20 Very High	25 Very High	25 Very High
<p>[2] R.408 “SEB: Failure to seize the opportunities and exploit the benefits that are envisaged from the huge regeneration programme investment that impacts on the council’s vision for 2030.”</p> <p>Risk Owner: Director of Regeneration & Enterprise</p>	25 Very High	10 Medium	20 Very High	20 Very High	20 Very High	20 Very High
<p>[3] R.419 “SEB: Lack of oversight of programmes and projects across the Council, with no assurance and monitoring of progress against time, cost and quality.”</p> <p>Risk Owner: Head of Chief Executives Office</p>	25 Very High	8 Medium	20 Very High	20 Very High	20 Very High	20 Very High


<p>[4] R.452 “Revenues & Benefits: Failure to secure ICT resources to deliver efficient and effective Revenue and Benefit Services.” Risk Owner: Head of Revenue & Benefit Services</p>	<p>20 Very High</p>	<p>4 Low</p>	<p>20 Very High</p>	<p>16 High</p>	<p>20 Very High</p>	<p>20 Very High</p>
<p>[5] R.553 “Planning: The Building Control service is unable to comply with the requirements of the new Building Safety Bill.” Risk Owner: Head of Planning</p>	<p>20 Very High</p>	<p>9 Medium</p>	<p>20 Very High</p>	<p>20 Very High</p>	<p>20 Very High</p>	<p>20 Very High</p>
<p>[6] R.559 “Children's Social Care: We cannot manage the cost of placements within the current budget.” Risk Owner: Service Director of Children's Social Care</p>	<p>20 Very High</p>	<p>8 Medium</p>	<p>16 High</p>	<p>16 High</p>	<p>16 High</p>	<p>20 Very High</p>
<p>[7] R.580 “SEB: Withdrawal of the funding for the METRO route between Dudley Town Centre and Brierley Hill.” Risk Owner: Director of Regeneration & Enterprise</p>	<p>25 Very High</p>	<p>10 Medium</p>	<p>16 High</p>	<p>25 Very High</p>	<p>25 Very High</p>	<p>25 Very High</p>
<p>[8] R.589 “SEB: Breach of the Homes Standard regarding building safety and compliance.” Risk Owner: Lead - Compliance & Building Safety</p>	<p>25 Very High</p>	<p>4 Low</p>	<p>NB1</p>	<p>NB1</p>	<p>25 Very High</p>	<p>20 Very High</p>
<p>[9] R.590 “Housing: Failure to maintain the quality of existing housing stock, in line with Decent Homes and housing health and safety rating system (HHSRS) regulatory requirements.” Risk Owner: Lead - Compliance & Building Safety</p>	<p>25 Very High</p>	<p>6 Medium</p>	<p>NB1</p>	<p>NB1</p>	<p>25 Very High</p>	<p>20 Very High</p>

<p>[10] R.595 “Housing: Failure to meet the Council’s regulatory and statutory duties, including but not limited to those relating to safeguarding, building compliance, homelessness, community safety and private sector housing.” Risk Owner: Director for Housing & Communities</p>	<p>25 Very High</p>	<p>4 Low</p>	<p>NB1</p>	<p>NB1</p>	<p>20 Very High</p>	<p>20 Very High</p>
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NB1 – The Director of Housing and Community Services has set up a completely new risk register.

APPENDIX B

SEB Very High Net Risks as of 31 October 2023

<p>[1] R.392 “SEB: The Council is unable to meet its commitments to deliver services (including services funded from the HRA and other ringfenced funds) as they fall due because annual income is insufficient and reserves have been fully depleted.” Risk Owner: Director of Finance & Legal Services</p>				
<p>Cause(s) of Risk</p> <p>Demand for certain statutory services continues to increase e.g. Adult Social Care and Looked after Children which is not met by increased government funding and/or the inability to raise council tax above a certain level.</p>				
<p>Consequence(s) of Risk</p> <p>Services are not delivered as required and possible government intervention.</p>				
<p>Inherent Score (Gross)</p> <p>25: Very High Likelihood: (5) Extremely Likely × Impact: (5) Severe</p>	<p>Target Score</p> <p>10: Medium Likelihood: (2) Unlikely × Impact: (5) Severe</p>	<p>Previous Score (Net)</p> <p>25: Very High Likelihood: (5) Extremely Likely × Impact: (5) Severe</p>	<p>Current Score (Net)</p> <p>25: Very High Likelihood: (5) Extremely Likely × Impact: (5) Severe</p>	<p>Direction</p> <p>SAME </p>
<ul style="list-style-type: none"> Impact Category: Implications for Service and/or Achievement of Key Targets and Objectives. Corporate Priority: A sustainable, well-governed and forward-looking organisation. Very High: Not normally acceptable as this is above the risk appetite of the Council. Immediate action must be taken to manage the risk or specific approval gained to allow the risk to remain at this level. If the risk cannot be reduced further e.g. by the identification of additional controls or other treatment, then robust contingency plans must be prepared. Close monitoring must be undertaken. 				
<p>Latest Risk Status Update (01/07/2023 to 30/09/2023)</p> <ul style="list-style-type: none"> Status: The draft Annual Auditor's Report identifies a significant weakness in financial sustainability. This is supported by the findings of the LGA Corporate Peer Review. Entered by: Iain Newman, 03/11/2023 				
<p>Mitigating Actions to Progress</p> <p>Intended to help achieve the Target Score. They should be SMART (Specific, Measurable, Achievable, Relevant, and Time-Bound).</p>				
<p>A.5608 Restore proper budgetary decision making in line with the annual timetable and consideration of the Council’s financial position. Responsible Officer: Director of Finance & Legal Services. Start Date: 03/08/2023. End Date: 31/03/2024.</p> <ul style="list-style-type: none"> Status: ONTARGET (01/07/2023 to 30/09/2023) Progress: A draft budget is on track to be presented to Cabinet on 13th December. Entered by: Iain Newman, 03/11/2023 				
<p>A.5663 Spending controls with defined exceptions to be approved by the Internal Delivery Group. To be maintained until unringfenced reserves rise back to 20% of spend. Responsible Officer: Director of Finance & Legal Services. Start Date: 26/10/2023. End Date: 30/06/2025.</p> <ul style="list-style-type: none"> Status: ONTARGET (01/07/2023 to 30/09/2023) Progress: New action. Entered by: Stuart Denyer, 03/11/2023 				

Mitigating Actions in Place

- 1) Regular reviews are undertaken to ensure statutory services/all services are delivered as efficiently and effectively as possible.
- 2) The Council has made representations to the government on how funding is allocated.
- 3) Council Tax is raised by the maximum percentage possible.
- 4) Regular reports to Council, Cabinet, Scrutiny Committee, Audit & Standards on budget management.
- 5) All directorates are required to identify savings.

[2] R.408 “SEB: Failure to seize the opportunities and exploit the benefits that are envisaged from the huge regeneration programme investment that impacts on the council’s vision for 2030.”


Risk Owner: Director of Regeneration & Enterprise

Cause(s) of Risk

Due to a lack of a strategic approach, ineffective governance and insufficient resources.

Consequence(s) of Risk

Unfulfilled economic prosperity and social benefits.

Inherent Score (Gross)	Target Score	Previous Score (Net)	Current Score (Net)	Direction
25: Very High Likelihood: (5) Extremely Likely × Impact: (5) Severe	10: Medium Likelihood: (2) Unlikely × Impact: (5) Severe	20: Very High Likelihood: (4) Very Likely × Impact: (5) Severe	20: Very High Likelihood: (4) Very Likely × Impact: (5) Severe	SAME 

- Impact Category: Implications for Service and/or Achievement of Key Targets and Objectives.
- Corporate Priority: Dudley the borough of ambition and enterprise.
- Very High: Not normally acceptable as this is above the risk appetite of the Council. Immediate action must be taken to manage the risk or specific approval gained to allow the risk to remain at this level. If the risk cannot be reduced further e.g. by the identification of additional controls or other treatment, then robust contingency plans must be prepared. Close monitoring must be undertaken.

Latest Risk Status Update (01/07/2023 to 30/09/2023)

- Status: The number of affecting factors previous reported continue to have an effect. Economic Regeneration Strategy is being drafted (due end of 2023) and aligned action plan will assist in mitigating. Review of governance arrangements underway and will also be complete Autumn 2023. SQW have presented initial findings on issues and themes. These were agreed at a meeting on 9th October and they will now undertake stakeholder interviews and draft final report and action plan.
- Entered by: Helen Martin, 12/10/2023

Mitigating Actions to Progress

Intended to help achieve the Target Score. They should be SMART (Specific, Measurable, Achievable, Relevant, and Time-Bound).

A.3838 A bid has been made for additional resources to support the regeneration programme.

Responsible Officer: Director of Regeneration & Enterprise. Start Date: 01/01/2022. End Date: 01/01/2099.

- Status: BEHIND (01/07/2023 to 30/09/2023)
- Progress: Work is underway via Regeneration Strategy work to map the level of resource required to match the programme and a bid will be made into the MTFS process for growth. Given budget constraints it is possible this will not be approved. Where possible additional posts will be capitalised as part of project deliver funded by grant awards.
- Entered by: Helen Martin, 12/10/2023

A.3840 A review of resources is to be undertaken to align where possible to the needs of the regeneration programme.

Responsible Officer: Director of Regeneration & Enterprise. Start Date: 01/01/2022. End Date: 01/01/2099.

- Status: ONTARGET (01/07/2023 to 30/09/2023)
- Progress: SQW have presented initial findings and issues/themes. These were

agreed at officer meeting on 9th Oct. Stakeholder interviews will now take place.

▪ Entered by: Helen Martin, 12/10/2023

A.3837 Creation of a clear regeneration statement/plan on a page on the vision for the borough, linked to the Council Plan and local plan to show that activity is aligned. The statement will clearly show the benefits expected from the regeneration programme

Responsible Officer: Director of Regeneration & Enterprise. Start Date: 01/01/2022. End Date: 01/01/2099.

▪ Status: ONTARGET (01/07/2023 to 30/09/2023)

▪ Progress: Aligned to portfolio review, production of economic and regeneration strategy and Regeneration lead commenced in role and supporting SQW on strategy - due before Christmas 2023.

▪ Entered by: Helen Martin, 12/10/2023

A.3839 Town Fund Boards that include key external stakeholders are to be set up in each of the major towns (already set up in Dudley and Brierley Hill). These will act as a consultation and communication forum.

Responsible Officer: Director of Regeneration & Enterprise. Start Date: 01/01/2022. End Date: 01/01/2099.

▪ Status: ONTARGET (01/07/2023 to 30/09/2023)

▪ Progress: Boards are established in Dudley, Brierley Hill and Halesowen. Halesowen paused due to unsuccessful LUF BID but MP has expressed a wish for this to be reinstated and meetings are being arranged. As and when required a board will be established for Lye/Stourbridge. Draft Project Plan now drafted. Longer Term Town Deal for Dudley announced on 8th October (£20m over 10 years). Working through the guidance and developing a plan. This will require amendments to the existing Towns Board and Town Investment Plan.

▪ Entered by: Helen Martin, 12/10/2023

Mitigating Actions in Place

1) Robust governance process has been established with regular reporting on regeneration opportunities and progress on projects to SEB and Major Capital Investment Board.

2) Member and key stakeholder involvement in decisions to bid and bid submission. Use of scrutiny process to ensure Member oversight.

3) Where capacity is insufficient interims and consultants will be used.

4) All projects have individual Risk registers and steering groups that report into SEB/MCIB.

[3] R.419 “SEB: Lack of oversight of programmes and projects across the Council, with no assurance and monitoring of progress against time, cost and quality.”

Risk Owner: Head of Chief Executives Office

Cause(s) of Risk

• No centralised corporate PMO function for effective Programme/ Project Governance which is tailored to the Council and its specific needs when driving change. • Absence of a standardised corporate approach to Programme/Project governance and assurance. • Independent / SILO resource allocation and monitoring of programmes and projects without holistic prioritisation against the Corporate strategic needs. • Learning from change activity is not consistently undertaken and/or not shared. • Shortage of PM skillset and/or experience across the Council.

Consequence(s) of Risk

• Absence of a holistic corporate view of change activity across the Council with no transparency of major programmes/ projects / change activity. • Programmes and projects are not aligned to the Corporate Strategy and associated business plans. •

Lack of objective and transparent prioritisation of programmes/ projects leading to potential duplication of effort, inability to prioritise resource and/or poor investment justification. • Objectives of programmes/projects are not delivered or monitored effectively. • Success criteria is not defined therefore, programmes/projects are not delivered to time/ budget and/ or quality. • Without shared learning, mistakes are repeated and/or best practise not shared corporately or consistently.

Inherent Score (Gross)	Target Score	Previous Score (Net)	Current Score (Net)	Direction
25: Very High Likelihood: (5) Extremely Likely × Impact: (5) Severe	8: Medium Likelihood: (2) Unlikely × Impact: (4) Significant	20: Very High Likelihood: (4) Very Likely × Impact: (5) Severe	20: Very High Likelihood: (4) Very Likely × Impact: (5) Severe	SAME ➔

- Impact Category: Major Programmes and Projects.
- Corporate Priority: A sustainable, well-governed and forward-looking organisation.
- Very High: Not normally acceptable as this is above the risk appetite of the Council. Immediate action must be taken to manage the risk or specific approval gained to allow the risk to remain at this level. If the risk cannot be reduced further e.g. by the identification of additional controls or other treatment, then robust contingency plans must be prepared. Close monitoring must be undertaken.

Latest Risk Status Update (01/07/2023 to 30/09/2023)

- Status: The rollout of the Corporate Management framework and portal is continuing across the Council through promotion at DMT's and direct support and training to projects leads / managers. The Major Projects status report has been paused pending a review of the projects baseline to support the needs and outcomes of the new Independent Improvement and Assurance Board and Internal Delivery group.
- Entered by: Andrea Petkevicius, 03/11/2023

Mitigating Actions to Progress

Intended to help achieve the Target Score. They should be SMART (Specific, Measurable, Achievable, Relevant, and Time-Bound).

A.3857 Develop, embed and promote the PMO as of a 'centre of excellence'

Responsible Officer: Head of Chief Executives Office. Start Date: 01/01/2022. End Date: 01/01/2099.

- Status: ONTARGET (01/07/2023 to 30/09/2023)
- Progress: Work on rollout of and embedding the new ways of working continue as detailed in the other mitigating actions for this risk.
- Entered by: Andrea Petkevicius, 03/11/2023

A.3853 Development of a centralised PMO function – stakeholder engagement.

Responsible Officer: Head of Chief Executives Office. Start Date: 01/01/2022. End Date: 01/01/2099.

- Status: ONTARGET (01/07/2023 to 30/09/2023)
- Progress: The CPMO continue to work with key stakeholders across the to embed the new “one council” approach to project management as detailed in the actions below. (See A.3854, A.3855 and A.3856)
- Entered by: Andrea Petkevicius, 03/11/2023

A.3854 Development, approval and launch of the use of a tailored Programme/ project Management Framework

Responsible Officer: Head of Chief Executives Office. Start Date: 01/01/2022. End Date: 01/01/2099.

- Status: ONTARGET (01/07/2023 to 30/09/2023)
- Progress: Project Management Framework – following the launch in quarter one work is now underway to embed and review as detailed in A3855. Programme Management Framework - The CPMO will start to develop the Programme Management Framework towards the end of the year. The Housing Compliance Recovery Programme has been identified as a programme pilot for the portal, work has commenced and will continue next quarter.
- Entered by: Andrea Petkevicius, 03/11/2023

A.3858 PMO function sharing best practice

Responsible Officer: Head of Chief Executives Office. Start Date: 01/01/2022. End Date: 01/01/2099.

- Status: ONTARGET (01/07/2023 to 30/09/2023)
- Progress: The “Agents for Change” network continues to grow across the council to share based practice and the next event will be held in October. The latest best practice, including lesson learnt, is available across the Council via the CPMO sharepoint and is being prompted by the Team throughout the rollout.
- Entered by: Andrea Petkevicius, 03/11/2023

A.3855 Review that the Programme/ project Management Framework is in place and embedded across the Council.

Responsible Officer: Head of Chief Executives Office. Start Date: 01/01/2022. End Date: 01/01/2099.

- Status: ONTARGET (01/07/2023 to 30/09/2023)
- Progress: Following the official launch of the framework and toolkit at the “Agents for Change” network meeting on 30/06/2023 the team have been working to rollout and embed the new processes through: • Presentation to DMT’s across the council • Working with project leads/ managers to guide and support alignment to Project Management framework • Promotion through connect articles and CMPO sharepoint • Inclusion on Corporate Induction from September Next Quarter: • Continue to work with and support Directorates with Framework rollout • Host project management event in October with including sessions on framework/portal updates, commercial, risk management and quality updates. • Back2Basics Project and Change Management training in development and will be launched in October. • The Framework and the “one Council” project management approach to be part of the new “Dudley Manager” induction pathway.
- Entered by: Andrea Petkevicius, 03/11/2023

A.3856 Review the market for a PM tool to support the new approach and framework. Develop, launch and roll-out.

Responsible Officer: Head of Chief Executives Office. Start Date: 01/01/2022. End Date: 01/01/2099.

- Status: ONTARGET (01/07/2023 to 30/09/2023)
- Progress: • The Portal went live as planned at the end of June. • Pilot rolled out to the Regeneration and Enterprise directorate is underway. • The CPMO team have commenced rollout in several other areas across the council with training and support in progress. Next quarter: • Continue working with Directorates on the rollout • Identified and launch portal improvements from pilot feedback • Launch portal “how to” videos
- Entered by: Andrea Petkevicius, 03/11/2023

Mitigating Actions in Place

- 1) Early engagement with Programme and Project Managers to understand current governance and assurance measures in place
- 2) Renewed licence with TMI for the VERTO project management tool.
- 3) Commenced the recruitment process for a Corporate Programme Manager

[7] R.580 “SEB: Withdrawal of the funding for the METRO route between Dudley Town Centre and Brierley Hill.”


Risk Owner: Director of Regeneration & Enterprise

Cause(s) of Risk

Significant increase in material and operational costs and difficulties in obtaining additional funding.

Consequence(s) of Risk

There will be significant implications for a number of Plans (Black Country Plan, Brierley Hill Plan) and investment strategies and huge consequences for the regeneration of the Borough.

Inherent Score (Gross)	Target Score	Previous Score (Net)	Current Score (Net)	Direction
25: Very High Likelihood: (5) Extremely Likely × Impact: (5) Severe	10: Medium Likelihood: (2) Unlikely × Impact: (5) Severe	25: Very High Likelihood: (5) Extremely Likely × Impact: (5) Severe	25: Very High Likelihood: (5) Extremely Likely × Impact: (5) Severe	SAME 

- Impact Category: Major Programmes and Projects.
- Corporate Priority: Dudley the borough of ambition and enterprise.
- Very High: Not normally acceptable as this is above the risk appetite of the Council. Immediate action must be taken to manage the risk or specific approval gained to allow the risk to remain at this level. If the risk cannot be reduced further e.g. by the identification of additional controls or other treatment, then robust contingency plans must be prepared. Close monitoring must be undertaken.

Latest Risk Status Update (01/07/2023 to 30/09/2023)

- Status: Official position still paused. £60m in budget announcement still subject to DfT business case approval. HS2 announcement by PM means this money will be realigned to transport projects and suggested this includes WBHE. Still requires clarity and would be subject to business case approval.
- Entered by: Helen Martin, 12/10/2023

Mitigating Actions to Progress

Intended to help achieve the Target Score. They should be SMART (Specific, Measurable, Achievable, Relevant, and Time-Bound).

A.4303 A report is to be prepared for a July WMCA Board meeting to agree how the financial issues will be resolved. The report is to be prepared jointly by TfWM, DMBC, Sandwell MBC and MMA.

Responsible Officer: Director of Regeneration & Enterprise. Start Date: 18/07/2022. End Date: 01/01/2099.

- Status: BEHIND (01/07/2023 to 30/09/2023)
- Progress: Budget announcement allocated (subject to business case) £60m and WMCA can find another £40m but this still leaves a shortfall. Recent board approved £75m from CRSTs and work in hand to look at CRST programme as a 10 year package to unlock further funding to complete but assumes get round 2 allocation. Currently looks like to get to the Waterfront will cost £175m. Waterfront to Merry Hill is a further £30m and from there to the High Street a further £35m. Investigating if recent HS2 budget realignment announcement will fully fund the remainder of the route. A risk there will be an ask of the council for some funding remains.
- Entered by: Helen Martin, 12/10/2023

Mitigating Actions in Place

N/A

[8] R.589 “SEB: Breach of the Homes Standard regarding building safety and compliance.”

Risk Owner: Lead - Compliance & Building Safety

Cause(s) of Risk

Failure to meet and evidence statutory building safety and compliance responsibilities, caused by inadequate building safety framework, associated policies and procedures, data quality and reconciliation, performance management processes, technology solutions, staffing resources and competency, governance and higher level controls.

Consequence(s) of Risk

Insufficient assurance of compliance with legal and regulatory standards. Ongoing scrutiny from the Regulator of Social Housing. Costs of compliance recovery place pressure on the HRA, and limits ability to leverage fundings from Homes England. Publication of Regulatory Notice places non-compliance in public domain, leading to tenant dissatisfaction and increased intervention/scrutiny from external stakeholders and funders.

Inherent Score (Gross)	Target Score	Previous Score (Net)	Current Score (Net)	Direction
25: Very High Likelihood: (5) Extremely Likely × Impact: (5) Severe	4: Low Likelihood: (1) Extremely Unlikely × Impact: (4) Significant	25: Very High Likelihood: (5) Extremely Likely × Impact: (5) Severe	20: Very High Likelihood: (4) Very Likely × Impact: (5) Severe	BETTER ↗

- Impact Category: Major Programmes and Projects.
- Corporate Priority: A sustainable, well-governed and forward-looking organisation.
- Very High: Not normally acceptable as this is above the risk appetite of the Council. Immediate action must be taken to manage the risk or specific approval gained to allow the risk to remain at this level. If the risk cannot be reduced further e.g. by the identification of additional controls or other treatment, then robust contingency plans must be prepared. Close monitoring must be undertaken.

Latest Risk Status Update (01/07/2023 to 30/09/2023)

- Status: Ongoing compliance recovery programme in place with robust governance arrangements in place and monthly progress updates with RoSH. Significant progress made compliance performance, new BS&C frameworks drafted, and action plan in place to develop new target operating model.
- Entered by: Kathryn Jones, 07/11/2023

Mitigating Actions to Progress

Intended to help achieve the Target Score. They should be SMART (Specific, Measurable, Achievable, Relevant, and Time-Bound).

A.5609 Compliance recovery programme and projects to design and implement end-to-end management of data and certifications underway and will deliver within 12 months. [R]

Responsible Officer: Lead - Compliance & Building Safety. Start Date: 26/09/2023. End Date: 01/01/2099.

- Status: ONTARGET (01/07/2023 to 30/09/2023)
- Progress: Recovery programme ongoing with clearly identified actions and robust governance in place to monitor progress and provide monthly updates to RoSH.
- Entered by: Kathryn Jones, 07/11/2023

A.5610 Financial management of recovery achieved within HRA by creating efficiencies and additional income. [R]

Responsible Officer: Lead - Compliance & Building Safety. Start Date: 26/09/2023. End Date: 01/01/2099.

- Status: ONTARGET (01/07/2023 to 30/09/2023)
- Progress: Recovery costs for 2023/24 included and managed through the Housing Revenue Account. 2024/25 budget setting process currently underway with draft

recommendations to be made in relation to rents and other charges to maximise income to the Housing Revenue Account to contribute towards recovery costs and other pressures such as inflation and pay awards.


▪ Entered by: Kathryn Jones, 07/11/2023

Mitigating Actions in Place

- 1) Active management of relationship with Regulator for Social Housing
- 2) Proactive comms and engagement following publication of Regulatory Notice
- 3) Recovery and Stock Condition Surveys underway

APPENDIX C

Directorate Very High Net Risk

<p>[4] R.452 “Revenues & Benefits: Failure to secure ICT resources to deliver efficient and effective Revenue and Benefit Services.” Risk Owner: Head of Revenue & Benefit Services</p>				
<p>Cause(s) of Risk</p>				
<p>Digital and ICT Services have not allocated adequate resources to support Revenue and Benefit Services.</p>				
<p>Consequence(s) of Risk</p>				
<p>Adverse performance, negative impact on cashflow and reputational damage.</p>				
Inherent Score (Gross)	Target Score	Previous Score (Net)	Current Score (Net)	Direction
<p>20: Very High Likelihood: (5) Extremely Likely × Impact: (4) Significant</p>	<p>4: Low Likelihood: (2) Unlikely × Impact: (2) Minor</p>	<p>20: Very High Likelihood: (5) Extremely Likely × Impact: (4) Significant</p>	<p>20: Very High Likelihood: (5) Extremely Likely × Impact: (4) Significant</p>	<p>SAME </p>
<ul style="list-style-type: none"> Impact Category: Implications for Service and/or Achievement of Key Targets and Objectives. Corporate Priority: A sustainable, well-governed and forward-looking organisation. Very High: Not normally acceptable as this is above the risk appetite of the Council. Immediate action must be taken to manage the risk or specific approval gained to allow the risk to remain at this level. If the risk cannot be reduced further e.g. by the identification of additional controls or other treatment, then robust contingency plans must be prepared. Close monitoring must be undertaken. 				
<p>Latest Risk Status Update (01/07/2023 to 30/09/2023)</p>				
<ul style="list-style-type: none"> Status: Concerns regarding ICT restructure and resourcing for contingency. NEC cloud migration project behind. Entered by: Rachael Dobson, 04/10/2023 				
<p>Mitigating Actions to Progress</p> <p>Intended to help achieve the Target Score. They should be SMART (Specific, Measurable, Achievable, Relevant, and Time-Bound).</p>				
<p>A.3881 The Head of Service and Director of Finance and Legal will emphasise to the Director of Digital, Customer and Commercial Services the importance of providing resources to develop Revenue and Benefit Systems. Responsible Officer: Head of Revenue & Benefit Services. Start Date: 01/01/2022. End Date: 01/01/2099.</p>				
<ul style="list-style-type: none"> Status: BEHIND (01/07/2023 to 30/09/2023) Progress: No real progress here, no ICT knowledge for change to structure Entered by: Rachael Dobson, 04/10/2023 				
<p>Mitigating Actions in Place</p>				
<p>1) The support and development of Revenue and Benefit ICT Systems has been entered onto the ICT Roadmap.</p>				

[5] R.553 “Planning: The Building Control service is unable to comply with the requirements of the new Building Safety Bill.”


Risk Owner: Head of Planning

Cause(s) of Risk

Training requirements cannot be satisfied and work not undertaken. Staff do not, for whatever reason, become Registered Building Inspectors and so cannot practice. Also, staff may be seconded to the BSR, thus leaving the Local Authority short staffed and, by definition, the officers seconded will be the most qualified and experienced.

Consequence(s) of Risk

The Building Safety Regulator will have powers to issue monetary fines, restriction of activities, suspension of registration or cancellation of registration against individual Registered Building Inspectors.

Inherent Score (Gross)	Target Score	Previous Score (Net)	Current Score (Net)	Direction
20: Very High Likelihood: (5) Extremely Likely × Impact: (4) Significant	9: Medium Likelihood: (3) Possible × Impact: (3) Moderate	20: Very High Likelihood: (5) Extremely Likely × Impact: (4) Significant	20: Very High Likelihood: (5) Extremely Likely × Impact: (4) Significant	SAME 

- Impact Category: Failure to provide statutory duties / meet Legal Obligations.
- Corporate Priority: Dudley the borough of ambition and enterprise.
- Very High: Not normally acceptable as this is above the risk appetite of the Council. Immediate action must be taken to manage the risk or specific approval gained to allow the risk to remain at this level. If the risk cannot be reduced further e.g. by the identification of additional controls or other treatment, then robust contingency plans must be prepared. Close monitoring must be undertaken.

Latest Risk Status Update (01/07/2023 to 30/09/2023)

- Status: Ongoing resourcing issues mean that the service is struggling to deliver. Proposed to report to Informal Cabinet with options paper. Using outside resource to deliver part of the service at present. LABC review taken place which will inform options and draft report issued.
- Entered by: Helen Martin, 12/10/2023

Mitigating Actions to Progress

Intended to help achieve the Target Score. They should be SMART (Specific, Measurable, Achievable, Relevant, and Time-Bound).

No mitigating actions to progress linked.

Mitigating Actions in Place

- 1) An awareness of the legislation requirements and a timeframe for resolution.

[6] R.559 “Children's Social Care: We cannot manage the cost of placements within the current budget.”


Risk Owner: Service Director of Children's Social Care

Cause(s) of Risk

There are low numbers of internal foster placements who can meet the varied needs of our children. There is too much movement of children across LA boundaries.

Consequence(s) of Risk

A further negative impact on council budget that is already under extreme pressure. Negative impact on the emotional wellbeing of children.

Inherent Score (Gross)	Target Score	Previous Score (Net)	Current Score (Net)	Direction
20: Very High Likelihood: (5) Extremely Likely × Impact: (4) Significant	8: Medium Likelihood: (2) Unlikely × Impact: (4) Significant	16: High Likelihood: (4) Very Likely × Impact: (4) Significant	20: Very High Likelihood: (5) Extremely Likely × Impact: (4) Significant	WORSE 

- Impact Category: Finance.
- Corporate Priority: Dudley the safe and healthy borough.
- Very High: Not normally acceptable as this is above the risk appetite of the Council. Immediate action must be taken to manage the risk or specific approval gained to allow the risk to remain at this level. If the risk cannot be reduced further e.g. by the identification of additional controls or other treatment, then robust contingency plans must be prepared. Close monitoring must be undertaken.

Latest Risk Status Update (01/07/2023 to 30/09/2023)

- Status: The inflationary pressure on placement costs continues to rise steeply (eg residential average weekly cost increased 11% to July; National increase in fostering allowances at 12%). Recommend increase in likelihood to extremely likely
- Entered by: Matthew Smith, 11/10/2023

Mitigating Actions to Progress

Intended to help achieve the Target Score. They should be SMART (Specific, Measurable, Achievable, Relevant, and Time-Bound).

A.4333 Commission new arrangements to cover identified gaps in residential provision in the short-term

Responsible Officer: Interim Service Manager. Start Date: 12/01/2023. End Date: 01/01/2099.

- Status: ONTARGET (01/07/2023 to 30/09/2023)
- Progress: DLT agreed to commission the use of two residential homes to external providers. Soft market testing being developed.
- Entered by: Matthew Smith, 11/10/2023

A.4334 Exploration of regional commissioning for residential placement to meet current needs

Responsible Officer: Service Director of Children's Social Care. Start Date: 12/01/2023. End Date: 01/01/2099.

- Status: ONTARGET (01/07/2023 to 30/09/2023)
- Progress: We continue to participate in regional commissioning, as well as considering use of our own buildings
- Entered by: Matthew Smith, 01/11/2023

A.4085 Review all residential provision to identify where there are gaps and where we are spot commissioning rather than having formal arrangements in place.

Responsible Officer: Interim Service Manager. Start Date: 01/01/2022. End Date: 01/01/2099.

- Status: ONTARGET (01/07/2023 to 30/09/2023)
- Progress: Providers continue to offer residential placements on a spot purchase even where regional frameworks exist. There continues to be a national shortage of

registered and matched placements.

▪ Entered by: Matthew Smith, 11/10/2023

Mitigating Actions in Place

1) The Recruitment and Retention of Foster Carers Strategy has been developed and implementation has started.

2) Continue and increase oversight of spend through weekly high cost meetings and regular budget reviews with finance, as well regular meetings with commissioning colleagues to consider best value procurement and commissioning arrangements.

[9] R.590 “Housing: Failure to maintain the quality of existing housing stock, in line with Decent Homes and housing health and safety rating system (HHSRS) regulatory requirements.”

Risk Owner: Lead - Compliance & Building Safety

Cause(s) of Risk

Historically inadequate investment in existing housing stock and inadequate maintenance programmes. Poor management, governance and controls to ensure investments are in line with need.

Consequence(s) of Risk

Potential financial consequences to recover compliant position with Decent Homes. Potential for customers to experience poor quality homes, whilst planned investment returns homes to a Decent Standard, potentially living in homes that affect health. Possibility of additional evidenced breaches of Regulatory standards increases scrutiny from Regulator and external partners/funders. impacts on the viability of the Housing Revenue Account, places customers at risk, and creates regulatory risk.

Inherent Score (Gross)	Target Score	Previous Score (Net)	Current Score (Net)	Direction
25: Very High Likelihood: (5) Extremely Likely × Impact: (5) Severe	6: Medium Likelihood: (2) Unlikely × Impact: (3) Moderate	25: Very High Likelihood: (5) Extremely Likely × Impact: (5) Severe	20: Very High Likelihood: (4) Very Likely × Impact: (5) Severe	BETTER ↗

- Impact Category: Failure to provide statutory duties / meet Legal Obligations.
- Corporate Priority: A sustainable, well-governed and forward-looking organisation.
- Very High: Not normally acceptable as this is above the risk appetite of the Council. Immediate action must be taken to manage the risk or specific approval gained to allow the risk to remain at this level. If the risk cannot be reduced further e.g. by the identification of additional controls or other treatment, then robust contingency plans must be prepared. Close monitoring must be undertaken.

Latest Risk Status Update (01/07/2023 to 30/09/2023)

- Status: 100% of homes being surveyed to identify current stock condition and to inform future investment needs to achieve the current Decent Homes Standard.
- Entered by: Kathryn Jones, 07/11/2023

Mitigating Actions to Progress

Intended to help achieve the Target Score. They should be SMART (Specific, Measurable, Achievable, Relevant, and Time-Bound).

A.5611 Complete 100% Stock Condition Survey of all existing housing stock. [R]

Responsible Officer: Lead - Compliance & Building Safety. Start Date: 26/09/2023. End Date: 01/01/2099.

- Status: ONTARGET (01/07/2023 to 30/09/2023)
- Progress: Programme of stock condition surveys underway to be completed by 31st March 2024 as planned. Data gathered from the surveys will identify current condition of all DMBC homes and will inform future investment needs to maintain Decent Homes Standard.
- Entered by: Kathryn Jones, 07/11/2023

A.5613 Complete review of 5-30 year investment strategy and Housing Asset Management Strategy based upon data gained through the Stock Condition Survey programme [R]

Responsible Officer: Lead - Compliance & Building Safety. Start Date: 26/09/2023. End Date: 01/01/2099.

- Status: ONTARGET (01/07/2023 to 30/09/2023)
- Progress: Stock condition survey programme currently underway and on target. Data gathered will inform the investment strategy and development of the new

Housing Strategy

- Entered by: Kathryn Jones, 07/11/2023

A.5612 Real-time referrals and prioritisation of identified issues that could affect health. [R]

Responsible Officer: Lead - Compliance & Building Safety. Start Date: 26/09/2023. End Date: 01/01/2099.

- Status: ONTARGET (01/07/2023 to 30/09/2023)
- Progress: Any immediate HHSRS and Damp and Mould issues identified through the stock condition surveys are reported back for an appropriate response in line with DMBC's repairs timescales. Numbers are monitored through the governance framework and shared in monthly updates with RoSH.
- Entered by: Kathryn Jones, 07/11/2023

Mitigating Actions in Place

- 1) 100% Stock Condition Survey underway to validate modelled assumptions about historic under investment.

[10] R.595 “Housing: Failure to meet the Council’s regulatory and statutory duties, including but not limited to those relating to safeguarding, building compliance, homelessness, community safety and private sector housing.”

Risk Owner: Director for Housing & Communities

Cause(s) of Risk

Insufficient assurance into DMT about service level activity to monitor and manage risks relating to statutory duties.

Consequence(s) of Risk

Potential detriment to customers if statutory duties are not met.

Inherent Score (Gross)	Target Score	Previous Score (Net)	Current Score (Net)	Direction
25: Very High Likelihood: (5) Extremely Likely × Impact: (5) Severe	4: Low Likelihood: (1) Extremely Unlikely × Impact: (4) Significant	20: Very High Likelihood: (4) Very Likely × Impact: (5) Severe	20: Very High Likelihood: (4) Very Likely × Impact: (5) Severe	SAME ➔

- Impact Category: Failure to provide statutory duties / meet Legal Obligations.
- Corporate Priority: A sustainable, well-governed and forward-looking organisation.
- Very High: Not normally acceptable as this is above the risk appetite of the Council. Immediate action must be taken to manage the risk or specific approval gained to allow the risk to remain at this level. If the risk cannot be reduced further e.g. by the identification of additional controls or other treatment, then robust contingency plans must be prepared. Close monitoring must be undertaken.

Latest Risk Status Update (01/07/2023 to 30/09/2023)

- Status: Compliance recovery programme ongoing to ensure ongoing compliance with building safety regulations and duties. Community Safety duties reported in to and monitored by the Safe and Sound Community Safety Partnership, OPCC and Home Office as appropriate. Review of private sector housing underway.
- Entered by: Kathryn Jones, 07/11/2023

Mitigating Actions to Progress

Intended to help achieve the Target Score. They should be SMART (Specific, Measurable, Achievable, Relevant, and Time-Bound).

A.5626 Complete full review of all policies and procedures to ensure all are up to date and robust [R]

Responsible Officer: Head of Housing Strategy. Start Date: 26/09/2023. End Date: 01/01/2099.

- Status: ONTARGET (01/07/2023 to 30/09/2023)
- Progress: New policy framework agreed by Directorate Management Team, and policy reviews underway
- Entered by: Kathryn Jones, 07/11/2023

A.5625 Deliver all Community Safety services and actions identified through the Safe and Sound Strategic Board [R]

Responsible Officer: Head of Housing Strategy. Start Date: 26/09/2023. End Date: 01/01/2099.

- Status: ONTARGET (01/07/2023 to 30/09/2023)
- Progress: Actions reported into and monitored by the Safe and Sound Board
- Entered by: Kathryn Jones, 07/11/2023

A.5624 Implement Building Safety and Compliance recovery action plan [R]

Responsible Officer: Head of Safer Communities. Start Date: 26/09/2023. End Date: 01/01/2099.

- Status: ONTARGET (01/07/2023 to 30/09/2023)
- Progress: Compliance recovery plan ongoing with robust governance and monitoring arrangements in place and monthly updates to RoSH
- Entered by: Kathryn Jones, 07/11/2023

A.5623 Refine to-be assurance process for reporting into DMT on service risk registers [R]

Responsible Officer: Lead - Compliance & Building Safety. Start Date: 26/09/2023. End Date: 01/01/2099.

- Status: ONTARGET (01/07/2023 to 30/09/2023)
- Progress: Standing agenda item on risk included on DMT agenda, with quarterly review of risk register at DMT away days
- Entered by: Kathryn Jones, 07/11/2023

Mitigating Actions in Place

- 1) Individual service area risk register to manage respective statutory duties and risks