

FAREHAM

BOROUGH COUNCIL

Report to Audit and Governance Committee

Date: 22 November 2021

Report of: Head of Finance and Audit

Subject: Risk Management Monitoring Report

SUMMARY

In March 2017, the Audit and Governance Committee approved a new Risk Management Policy based around a set of principles rather than a formal framework of registers. The policy requires evidence of risk management to be compiled every six months as proof that the policy is effective. This is the latest six-monthly report under the policy.

The Audit and Governance Committee's area of responsibility for Risk Management includes:

- a) to monitor the effective development and operation of risk management in the Council.*
- b) to monitor progress in addressing risk-related issues reported to committee*

RECOMMENDATION

It is recommended that the Audit and Governance Committee review the report as a source of evidence that the current Risk Management Policy is operating in practice.

INTRODUCTION

1. In March 2017, the Audit and Governance Committee approved a new Risk Management Policy (See Appendix E) based around a set of principles rather than a formal framework of registers. Under the process, discussions are held with managers to gather evidence that the new policy is being implemented. In particular, the policy would be considered to be effective if managers are able to cite examples of:
 - (a) What their top risks are and any new or changes in risks and opportunities that have occurred in the year
 - (b) Actions that have been taken in the year to mitigate risks
 - (c) Incidents that have occurred and actions taken to manage the incident and prevent a repeat
 - (d) Risks and solutions shared with other services in the Council or discussed with Council experts in that subject.
2. The last progress report was compiled in March 2020. Since then this process has been on-hold while managers concentrated on managing the risks and impacts associated with the Covid-19 pandemic. This report summarises the evidence gathered from the discussions which recommenced during September and October 2021.

MANAGERS COVERED BY THIS REPORT

3. Discussions are held in two rounds of interviews, so that each manager is interviewed once in the annual cycle. The Managers covered in the 2 sets of interviews this year are listed in the table below, which highlights those services covered by this report and therefore which risk topics feature.

Managers Interviewed for THIS report	Managers to be Interviewed for the next report
Head of Building Control (JS) Head of Democratic Services (LU) Head of Development Management (LS) Head of Finance and Audit (EH) Head of Housing Delivery (RL) - Housing Strategy services Head of Street Scene (MB) Welborne Strategic Lead (SW) Leisure and Community Manager (EW) Property Manager (IC) <u>Corporate Services Managers</u> Web and Social Media Manager (MP) PR and Marketing Manager (JL) Customer Service Manager (AR) <u>Human Resources Officers</u>	Head of Environmental Health (IR) Head of Housing and Benefits (CN) Head of Planning Strategy & Economic Development (GW) Daedalus Strategic Lead (SW) <u>Housing Property</u> Head of Housing Delivery (RL) Property Manager (Housing) (SB) <u>Coastal Partnership Managers</u> Head of Coastal Partnership (LC) Business Development Manager (JR) <u>Legal Partnership Managers</u> Head of Democratic Services (LU) Service Director (Solicitor to the Council) (RI)

HR Business Partner (TH) HR Business Partner (AG)	Service Lead (Legal Partnership) (SR) <u>ICT Managers</u> Technical Infrastructure Manager (AS) Development and Systems Support Manager (KW) <u>Estates Managers/Officers</u> Head of Asset Management (SF) Estates Surveyor (AD) <u>Corporate Services Managers</u> Policy, Research and Engagement Manager (RB)
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STRUCTURE OF THE EVIDENCE GATHERED

4. Detailed notes were taken of each discussion. The topics of the discussion are listed in [Appendix D](#). Examples were then taken from the discussions (limited to 2 or 3) to give as evidence of risk management activity in practice in line with the Council Policy. These are summarised in the appendices using 3 evidence themes of:
 - (a) Appendix A - New actions taken *anticipating* risks or opportunities
 - (b) Appendix B - New actions taken *reacting* to risks or incidents
 - (c) Appendix C - Risks where action is *still needed*
5. Some changes were made to the structure of the evidence write up to reduce the time involved in pulling the report together. However, this wasn't altogether successful in achieving its aim so in the next report we will be piloting a new approach to compiling the evidence in which only 5 risks are listed from each discussion.
6. Greater emphasis will be placed on:
 - a) Providing assurance that the managers were aware of their risks and carrying out effective risk management.
 - b) Providing assurance that there were no risks which did not have appropriate mitigation plans in place.

APPENDICES

Appendix A: Examples of New Actions Taken ANTICIPATING Risks or Opportunities

Appendix B: Examples of Actions Taken REACTING to Risks or Incidents

Appendix C: Risks noted where further actions are still needed

Appendix D: Detailed List of Risks and Actions covered in the Manager Discussions

Appendix E: FBC Risk Management Policy

Background Papers: None

Reference Papers:


Report to Audit and Governance Committee on 13 March 2017 on the Revised Risk Management Policy

CIPFA / SOLACE - Delivering Good Governance in Local Government Framework
April 2016 Edition

Enquiries:

For further information on this report please contact Elaine Hammell. (Ext 4344)

Appendix A – Examples of new actions taken ANTICIPATING risks or opportunities

	<h3>Corporate Covid-19 Response - Assisting Vulnerable Groups</h3> <p>There was the risk of vulnerable residents not getting the support they need for everyday tasks during the pandemic, which could lead to further, more serious issues with the resident or other services (such as the NHS) having to use resources to support the resident.</p>	<p>Service Area(s) leading on managing the risk:</p> <p>Leisure and Community</p> <p>For further information contact:</p> <p>Leisure and Community Manager (EW)</p>
<h4>Background to the Risk</h4> <p>Due to the Global Covid-19 pandemic and a national lockdown it became more important than ever that we supported the most vulnerable members of the community, who were required to stay at home. The Borough of Fareham already had stable external agencies that could be used to help mitigate this risk.</p> <p>FBC supported 4 external agencies (Acts of Kindness, Waypoint Church, One Community and Citizens Advice Bureau) to set up food banks and other support services such as picking up prescriptions, help with specific food shopping, dog walking and as a friendly person to talk to.</p>		
<h4>Key actions taken to address the risk included:</h4> <ul style="list-style-type: none">• Provided financial support to the external agencies• Alongside Hampshire County Council, FBC led on a piece of work to refer residents that were either known to authorities as being vulnerable, or those who contacted the HCC Coronavirus helpline, to the appropriate organisations• Monitored the welfare of the agencies to make sure they were adequately resourced and not being overwhelmed with demand• Promoted key messages locally to residents detailing what support was available and how this could be accessed• Promoted how other residents could provide support such as volunteering or donating to foodbanks• Allowed Acts of Kindness to use a Hangar at Daedalus to store foodbank items		
<h4>Key actions still to do include:</h4> <ul style="list-style-type: none">• Ongoing support to external agencies, increased demand being forecast when the furlough scheme ends and if there is another national / local lockdown.		

Corporate Covid-19 Response - Keeping Vulnerable Workforce safe

There was the risk of Covid 19 affecting the Clinically Extremely Vulnerable (CEV) employees severely, or CEV members in their household. This would impact their health and wellbeing both short term and long term as we discover more ways the virus manifests. Staff our are biggest asset and we needed to safeguard the workforce. This group therefore needed to be actively identified and managed throughout the pandemic.



Service Area(s) leading on managing the risk:

Human Resources (HR)

For further information contact:

HR Business Partner (AG)

Background to the Risk

The Government announced on 16 March 2020, staff should be working at home wherever possible and shortly afterwards the UK went into lockdown. The CEV employees were encouraged to leave the building first, but there was much work to do to discover who was CEV and also who were vulnerable (including members of the household) and put in place suitable adaptations to keep them safe and well. Some vulnerabilities changed during the year and these needed to be ascertained.

Key actions taken to address the risk included:

- Data sources utilised to establish which staff met the vulnerable classification (including employees flagging they had received a CEV notification from the NHS).
- Risk assessment carried out for each individual to make sure they were appropriately protected. This included working with Occupational Health depending on their condition and where they worked (e.g. lone worker based in a vehicle)
- Initiatives to manage Wellbeing issues: This includes various things under the umbrella of staff wellbeing such as updates on SID, advising staff about the Counselling Service, dealing with staff who've had concerns or worries on a case-by-case basis and doing what is best for them individually.
- Weekly updates on staff status collected from each Head of Service.
- Arranging COVID tests for FBC staff with symptoms following temporary testing facility being set up.
- More detailed risk assessments for staff who wanted to come back with safety measures in place, allowing staff to work in a safe way
- Accessing spare vaccinations to offer to Non CEV staff earlier than being offered by the NHS, meant that all staff would be double vaccinated and offer protection to the CEV staff.
- Managing the security of data held on the HR files
- Capturing vulnerabilities of new starters

Key actions still to do include:

- Assess the changes in risk arising from the new way of working strategy.
- Continue to review the risk assessments if booster vaccines are delayed, new virulent strains arise, or any local restrictions on the NHS occur.

Corporate Covid-19 Response – Keeping all employees safe when working

Managing the risk of Covid infection, and the perception of safety of working arrangements, during the pandemic.



Service Area(s) leading on managing the risk:

Housing Delivery

For further information contact:

Head of Housing Delivery (RL)

Background to the Risk

The Covid-19 response team was set up to corporately address the safety of Councillors, employees, and residents and the wider public in line with government guidance whilst maintaining public services.

At the point of the national lock down employees were asked to work from home where possible, but naturally this is challenging for a local authority where certain roles and functions cannot be fulfilled in this way and going into work had to continue under the tightest of national restrictions. For others, a return to the office was managed over a period of months, implementing a rota system for maintaining social distancing.

The emphasis on the approach was to keep all safe from infection and keep them feeling safe from the risk of infection, using proportionate measures. Feedback from employees and users of the building was that they felt safe. Covid infections arising during this period were predominantly tracked to outside sources.

Key actions taken to address the risk included:

- Project lead worked closely with CXMT, Human Resources, Environmental Health, and all managers to interpret guidance about social distancing measures that was often issued or updated at short notice
- Compiled 6-part Safety Guidance including procedures for working at the Civic Offices, depot and out and about.
- Introduced measures such as bubbles and refuse support vehicles for the depot and other areas such as sheltered housing where a large proportion of the workforce could only fulfil their duties from the workplace.
- Enabled immediate Civic office working for certain roles and for individuals to help with wellbeing
- Worked with managers and facilities team to develop desk plans to enable the phased return to work

Key Actions still to do include:

- Maintaining trust and the team ethos and all as one approach to the new ways of working as the rota system is eased and other flexible working arrangements come into place with managers approval.
- Managing recruitment expectations

Corporate Covid-19 Response - Financial Resilience of the Organisation

Due to the financial implications of Covid on the income streams and expenditure of the authority, there was a risk that the Council couldn't sustain the current levels of service delivery or would exhaust the financial reserves available trying to do so.



Service Area(s) leading on managing the risk:

Finance and Audit

For further information contact:
Head of Finance and Audit (EH)

Background to the Risk

The impacts of the Covid pandemic on the organisation's finances were:

- 1) increase in expenditure (e.g. hiring extra vehicles to maintain social distancing, purchasing PPE, supporting critical suppliers) and
- 2) loss on income (e.g. fees and charges such as car park income, trade waste income and a reduction in the number of planning applications).

To fully understand the impact that was occurring an emergency budget was prepared which forecast the need to draw £2.6m from reserves in the first year and similar amounts in the following years depleting the Council's reserves.

Due to the actions taken, and government support provided, reserves did not need to be used in the first year, mainly due to initial conservative estimates on government grants we would receive. Going forward we are still anticipating the need to draw down from reserves in 2021/22 and beyond.

Key Actions taken to address the risk included:

- Weekly monitoring of key finance headlines
- Development of a Financial Recovery Plan
- Full engagement with the Government grants programme to maximise funding opportunities
- Introduced Finance Business Partner's report of monthly good news / bad news to S151 Officer
- Living below our means strategy

Key actions still to do include:

- Maintenance of 5-year Medium term Finance Strategy Projections to monitor the on-going situation
- Revised costings of unknowns not yet fully built into the projections e.g. waste strategy
- Continued development of opportunity plan of work to close the underlying £0.5m funding gap
- Increased scrutiny and monitoring of the projects that are helping close the funding gap such as the Faraday Park business units, leisure and arts management fees, green waste collection and coastal parking charges

Corporate Covid-19 Response - Financial Support for Critical Supplier

There was a risk that without supporting a critical supplier financially they would be unable to continue to run the Council's two Leisure Centres. This would mean loss of management fee income in the future for FBC, and additional costs of having to run the service ourselves.



Service Area(s) leading on managing the risk:

Leisure and Community

For further information contact:

Leisure and Community
Manager (EW)

Background to the Risk

In June 2020 discussions began between the operator and FBC regarding a financial support package to enable them to continue to run Fareham and Holly Hill Leisure Centres. Without on-going financial support from FBC, the operator would have not been in the financial position to: 1) afford the upkeep of both centres during period of closures, and 2) reopen both leisure centres when the Government permitted.

This support package is in place until one of three conditions have been met: the leisure centres have been open without Covid restrictions for 6 months, 3 months after the completion of the build or they are in a surplus position for 3 consecutive months. The first trigger point is likely to be met in mid Jan 2022.

The Government Procurement Policy Note – Supplier relief due to Covid-19 (PPN 02/20) set out information and guidance for public bodies on the payment of their suppliers to ensure service continuity during and after the pandemic.

Key Actions taken to address the risk included:

- Agreed a financial package of support between FBC and the operator supported by a documented agreement.
- Monthly financial monitoring of the support need and the nature of the spend
- Monthly contract meetings
- FBC approval for spend above £5k or spend that was not 'business as usual'

Unavailability of Staff to deliver the priority services

Due to the number of employees meeting the vulnerable criteria and the numbers needing to self-isolate, there was a risk that Street Scene was unable to deliver all their services effectively to the same timetable. This was made more difficult by an increased in demand for some services.



Service Area(s) leading on managing the risk:

Street Scene

For further information contact:

Head of Street Scene (MB)

Background to the Risk

When the Covid restrictions were announced by Central Government in March 2020 immediate decisions had to be made in relation to the staffing and ability to deliver services, particularly refuse and recycling collections. The service had approximately 1/3 of the workforce, who were mainly front-line workers, who were categorised as vulnerable and needed to self-isolate in the beginning.

As guidance changed the number of members of staff on the vulnerable list reduced thereby lessening the difficulty of delivering the services. However, there was another peak of staff unavailability later as a result of positive Covid tests and the track and trace process and self-isolation instructions hitting the team.

Demand for refuse and recycling services increased, especially during the lockdown periods and with the continuing changing of working practices by the public e.g. working from home. This has resulted in an increased volume of household waste and recycling material which has placed extra demand on the collection crews. The closure of the household recycling centres also resulted in an increase in waste hitting the household bins. Bins in open spaces were overflowing due to more use by the public, as were the glass banks as people took to more drinking at home (as the pubs were closed) and having a sort out at home.

Key actions taken to address the risk included:

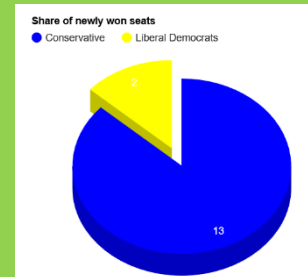
- Temporary suspension of the collection of garden waste for a period of 3-4 weeks in the first lockdown and for 2 days later in the year.
- Stopped non-essential services including grass cutting, cutting back of overhanging vegetation, maintenance of sports pitches and play areas, as they were closed, and the servicing of public toilets which were closed during the initial lockdown.
- Good communication channels introduced between Street Scene and HR to ensure all staffing matters were addressed and the appropriate Covid guidance was introduced for the safety and wellbeing of staff.
- Daily evening discussions between supervisors and HR to ensure prompt notification of staff absence.
- Staff informed of social distancing requirements and action to take if they tested positive for Covid.
- Office staff worked on a rota basis to minimise the number of people in at any one time.
- Staff working over their allotted hours to help get rounds finished.
- Increased monitoring of hours being worked by individuals to ensure they did not exceed their maximum time allowed (e.g. drivers).
- Staff seconded from other services to ensure refuse and recycling rounds were completed.
- Weekend working introduced to empty public space bins.

Key actions still to do include:

- Continue to follow and react to any changes in Covid guidelines and peaks in staff absence

Preventing the Spread of Infection in the May 2021 Election

There was a risk that running the election without meticulous planning and putting in place a high number of mitigating actions could have caused a spread of the Covid infection within the Borough.



Service Area(s) leading on managing the risk:

Democratic Services

Corporate Services

For further information contact:
Head of Democratic Services (LU)
Customer Services Manager (AR)

Background to the Risk

The decision was made by Parliament in March 2020 to postpone the upcoming Police and Crime Commissioner and Local Elections due to take place in May 2020 and a new date of May 2021 was proposed. However, it became clear towards the end of 2020 that if the Election was to go ahead in May 2021 a high number of mitigating actions would need to be put in place to manage the risk of the Covid-19 virus being spread amongst the voters, the poll station staff and the count staff.

The election was further complicated by the requirement to cover three ballots in one day all using different voting systems.

Key actions taken to address the risk included:

- Planning for the Election started in November, three months earlier than usual
- Risk assessments carried out of all polling station venues, ensuring social distancing could be maintained
- Measures implemented at polling stations to prevent infection including keeping doors open, one-way systems and queue control
- One ballot box was used for all three ballot papers – reducing voter queries and time in polling stations
- Screens and PPE (including mandatory masks) purchased for infection control at the Polling Stations and Ferneham Hall as the venue for the Count
- Reorganisation of count teams (fewer staff in bigger teams) to allow greater spacing between them
- Compulsory lateral flow tests for election and count staff
- Staff worked in bubbles for postal vote opening to reduce risks
- Training prepared and delivered virtually, with the aid of pre-recorded training videos

Key actions still to do include:

- Ensure the accounts are finalised and submitted to the Election Claims Unit by the required deadlines

Live Meeting

The meeting will begin shortly

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Planning Committee during Covid Restrictions

There was the risk of no Planning Committees taking place, which would have meant either giving planning officers more delegated powers; or the decisions on more controversial/major applications would have been delayed for an unknown length of time.

There was a risk that deputations would have not been heard, or would be given haphazardly, affecting the public's right to voice their opinion on planning applications and negatively impacting their confidence in the Council and in the committee's decisions.

Service Area(s) leading on managing the risk:

Development Management

Democratic Services

For further information contact:

Head of Development Management (LS)

Head of Democratic Services (LU)

Background to the Risk

The Planning Committee is a monthly meeting of members to consider and determine planning matters. This includes the granting or rejecting of planning permission for any presented applications.

Pre-Covid, the Planning Committee took place within the Civic Offices and could be attended freely by the public. It was also possible for members of the public to make deputations on specific applications if they had requested to do so in advance. When restrictions were placed on the country, to negate the effects of Covid -19, these meetings were initially delayed until the Government published amendments to the relevant legislation to allow all such meetings to now take place virtually.

Since then, all Planning Committees took place virtually and were livestreamed to allow for public viewing.

Key actions taken to address the risk included:

- Legislation was changed by the Government which allowed the Committee to take place virtually. IT, Democratic Services, and Development Management worked collaboratively to achieve this, including providing IT equipment and support to members, providing emailed scripts to cover how the meeting would operate and giving/attending training/instructions on the expected conduct of members and staff in meetings being broadcast live.
- New methods of giving a deputation were also implemented (e.g. pre-recorded audio files or written submission read on their behalf by a member of Democratic Services) to avoid disturbances or technical issues that could have occurred if the public were able to actively take part in the virtual meeting.
- The cap on time for deputations was temporarily removed, as it was acknowledged they would have trouble meeting up to nominate a spokesperson when there were a number of deputations for the same application.

New chargeable service for Garden Waste

There are a number of risks associated with the introduction of the new chargeable service for green waste collection. One of the biggest risks, is not being ready to fully deliver the scheme on the due date.



Service Area(s) leading on managing the risk:

Street Scene

For further information contact:

Head of Street Scene (MB)

Background to the Risk

A new chargeable service for green waste collection is due to take effect from February 2022. Residents in the Borough requiring the garden waste collection service will be charged an annual subscription and a one-off charge for a bin, with a choice of two sizes. Residents have been able to sign up online or by telephoning the Council since 1st September 2021. Anyone signing up to the new scheme before the 31st October 2021 is being offered an 'early bird discount' of 50% of the charge for the bin.

Risk associated with this scheme include:

- Not enough vehicles to cope with demand
- Bins are not delivered on time for the due date for the start of the service paid (which have been paid for upfront)
- Over-preparation for service demand that does not materialise, resulting in abortive costs
- Demand does not meet required income generation targets
- Unable to cope with peaks of demand for delivery of new bins after go-live date
- Unable to deal with spike in phone call enquiries
- Public not aware in the change in the service (including having left over green plastic sacks)
- Managing complaints received about the introduction of the charge and the perceived cost of the publicity campaign
- Software failures including poor management of subscription starters and stoppers
- Disposal arrangements stop being available

Demand for the new service through the early bird offer has been high resulting and the service needs to make sure there are enough bins available for the first wave of orders placed. The bins awaiting delivery are stored securely and will be distributed by a private company up until the end of January 2022. From February 2022 onwards they will be delivered by Street Scene. As this is an unknown delivery quantity for the Council, in the future, there is a risk of an additional cost if extra resources need to be employed.

Some collection vehicles are due to be replaced and the service is aware that there is a 10-month lead time for the purchase of a new vehicle.

Key actions taken to address the risk included:

- Publicity campaign to maximise the success in the take up of the scheme including early bird discount
- Staff seconded to help with the initial high volume of telephone enquiries and sign up to the garden waste collection service
- Alternative suppliers sourced for the purchase of additional bins to satisfy demand and meet the deadline for the delivery of bins
- Delivery of all bins ordered has been arranged to be in place by the start of the scheme in February 2022

- Purchase of second-hand collection vehicles to tie the service over and build in resilience
- The waste collection vehicles will be fitted with in cab software with GPS identifying the residents who have subscribed to receive the garden waste collection service. This will also inform the collection crews of any new subscribers or residents who have left the scheme.

Key actions still to do include:

- Future administration of the scheme to ensure that collection crews are kept up to date with any changes in the subscriptions to the scheme
- Purchase of replacement waste collection vehicles to improve the resilience of the fleet



Recruitment and Retention in the Building Control Service

There is a risk that the Building Control Partnership may not have the resources and expertise available to successfully run the service if they are not able to retain or replace professional employees.

Service Area(s) leading on managing the risk:

Building Control

For further information contact:

Head of Building Control Partnership
(JS)

Background to the Risk

Building control currently has two vacant principal surveyor posts and is always conscious of the need to retain current key employees and succession plan for the future. Recruitment to these vacant posts has been unsuccessful on two occasions. The package provided is considered competitive, however recruitment specialists have suggested the market is stagnant due to future uncertainties in the economy making professionals less likely to risk changing jobs.

The partnership also has an aging workforce within its administration team with the potential for three members of the team to retire. This does not pose an immediate risk unless all employees retire in the same period. The package provided is considered excellent in comparison to the job market. However, due to the technical aspect of the role, it may be more difficult to recruit someone with the existing technical skills required.

Key actions taken to address the risk have included:

To address the recruitment of the surveyors, the follow actions have been taken:

- Two trainee building control surveyors have been recruited to become professional within 5 years
- The Apprenticeship levy will be used to help fund the necessary training
- Retired employee being employed on a casual basis to help train and pass on vast experience to the trainees
- Interim use of agency workers to bridge any gaps
- To address the risk within the admin team, the follow actions have been taken: Building Control have engaged with the HCC quick start process - this is a pilot process to employ an individual from the unemployed market for 6 months. Hampshire County Council will provide mentoring as well as pay their salary. FBC invest time in the management, development and training of the individual. After the 6-month process, the Building Control Partnership could choose to employ the individual as an apprentice and the individual would be provided with the necessary training and qualifications to become a Technical Administrator.

Appendix B – Examples of actions taken REACTING to risks or incidents

Covid Impact on Housing Development Sites in Progress

The national lockdown arising from the Covid-19 pandemic affected the construction of sites in progress and the ability to deliver on time with no financial loss.



Service Area(s) leading on managing the risk:

Housing Delivery

For further information contact:

Head of Housing Delivery
(RL)

Background to the Risk

Construction works were underway at Oak Tree Close and Rose Court when the Covid-19 pandemic first began and were completely shut down at the start of the first national lockdown until the Government allowed contractors back on site. This caused some delay to the completion of the schemes, both in terms of actual works on site and materials supply, which were also affected by Covid in this country and overseas. Subsequently other areas impacted the completion of developments, such as utility connections which were on an emergency callout basis only for a longer period of time. There were also some outbreaks of the infection which affected the availability of workers on the site.

As construction industry restrictions were eased, rules around moving home took longer to be relaxed which had implications for those residents taking up the new dwellings unless it was an emergency placement.

Delays in the projects could cause the cost of the project to increase, and a loss in rents obtained for the property.

Key actions taken to address the risk included:

- Kept up to date with government guidance as restrictions around construction were eased and work re-commenced on site.
- Ensuring contractors dealt with outbreaks of Covid on site and that social distance measures were in place.
- Proactively engaging with and contacting relevant utility companies to find a solution to the connection issue
- Managing the working relationship with the contractors to ensure a positive outcome for the development of the scheme, including the management of claims so that there were minimal additional costs for the projects.

HCC impact on ability to deliver Housing Development Sites

There is an ongoing risk of project delays and increased costs arising from start on site delays for schemes where contractor appointments have been made but Hampshire County Council have not completed the Section 278 Highway Agreements. There is also the reputational risk of not meeting expectations in delivering these sites.



Service Area(s) leading on managing the risk:

Housing Delivery

For further information contact:

Head of Housing Delivery (RL)

Background to the Risk

The award of contracts for Station Road and Stubbington Lane development sites has been completed and local Small and Medium Sized Enterprises (SME's) have been appointed as the contractors. The Design and Build contracts were competitively tendered, with submissions critically reviewed by the Employers Agent and in-house evaluation team. The start of on-site construction could have commenced in March this year but has been subject to delays largely arising from the Hampshire County Council Section 278 Highway Agreements still not having been completed for both sites. This type of Agreement will cover detailed highway engineering matters of a technical nature such as highway access and drainage. This has been an unpredictable delay beyond our control and will lead to a loss of rent if there is a delay in tenants taking residence.

We anticipate that there will be a direct impact on the cost of materials and labour when the local SME contractors are in a position to source materials required for the construction of the sites and prices are increasing. Whilst tenders have been awarded within the allocated capital budgets for the schemes it may not be reasonable to expect smaller firms to bear all of this financial risk themselves. Ultimately, we wish to deliver quality affordable housing maintaining a positive and engaged relationship with the contractor.

Key actions taken to address the risk included:

- The project team at the Council and the appointed Employers Agent have kept in touch with those dealing with matters at Hampshire County Council. This matter has been noted by CXMT.
- The project team at the Council and the appointed Employers Agent have also kept in touch with the appointed Contractors, keeping them up to date with the position and managing the working relationship.
- Treasury management advice has been taken regarding borrowing sources and timing along with interest rate predictions.
- Legal and procurement advice sought on the contractor obligations resulting from the delays (indications that the cost/risk lies primarily with the contractor).
- The Trust (who are financially contributing to the Station Road project) kept informed about the delays and timings of the project
- Work is complete on the Shared Ownership Policy subject to a final check by Legal Services and this will be reported to the November Executive so there is no delay when the works start.
- Preparations for publicising the Shared Ownership project is underway to raise awareness of the scheme and availability for those unable to afford properties on the open market and would like to take up the shared ownership option.

Key actions still to do include:

- We will continue to seek to improve the joint working process with Hampshire County Council
- At a suitable point a formal press release will be made, and expressions of interest will be sought for the Stubbington Lane shared ownership dwellings. This work will also inform future shared ownership provision considerations and a marketing tool when the sales process is open.
- We will continue to avoid a hard-line approach with the contactors as this may inevitably lead to arbitration which we would hope to avoid by reasonable and supported negotiation.
- We will continue to manage the financial resources at our disposal including continuing to pay regard to Treasury Management advice regarding borrowing sources and interest rates.

Covid - Incoming Calls Exceeding Capacity

There were points in the early phases of the Pandemic response that the phone demand through the switch board and services such as Benefits and Council Tax were exceeding capacity, leading to customer stress and dissatisfaction.



Service Area(s) leading on managing the risk:

Corporate Services

For further information contact:

Customer Services Manager (AR)

Background to the Risk

The Customer Service Centre (CSC) provides a critical service for the organisation in managing incoming calls to the general switchboard number. There are also designated numbers for key services such as benefits, council tax, street scene enquiries and food parcel enquiries. At the start of the pandemic there was an unprecedented surge in calls through all the channels from worried residents and businesses at a time when services were dealing with staff having to isolate, working arrangements from home and new streams of demand were being taken on such as hardship support.

Key actions taken to address the risk included:

- CSC and ICT set up functionality and equipment to allow switchboard calls to be taken at home
- Headsets and equipment set up for council tax and benefits to take direct dial and transferred calls from home
- Direct dial numbers for key services advertised outside the Civic Offices and on the Council's website, to reduce the volume of calls being received by the main switchboard
- Dedicated Covid page set up on the Council's website with the latest information on Council services, community help, advice for businesses, volunteering opportunities and how to donate essential supplies, regularly updated to keep our residents informed
- CSC staff covering the office also assisting with calls and provided with hot desk equipment for use when required to work from the offices
- CSC staff trained up to be the first line of assistance for callers about council tax and benefits, to enable the callers to be signposted effectively
- CSC staff trained up to be able to take rent and council tax payments over the phone
- Voicemail facilities utilised if needed and linked to an email record in a designated inbox
- Dedicated Business Grants helpline set up and manned

Nitrate Mitigations for Residential Development

In March 2019, the Council stopped being able to grant planning permission on new residential and overnight accommodation. This affected the ability to deliver housing needed to meet the Council's 5-year housing supply requirement.

There is the residual risk that the nitrate credits available from the schemes put in place could be exhausted at some point in the future which would, once again, prevent the granting of planning permission to build new residential developments.

Service Area(s) leading on managing the risk:

Development Management

For further information contact: Head of Development Management (LS)

Background to the Risk

Natural England, the statutory consultee with responsibility for the natural environment, advised the Council, and other Councils with a Solent coastline, that development in the Borough must be nitrogen neutral in order to mitigate a likely significant effect on internationally important protected sites in The Solent.

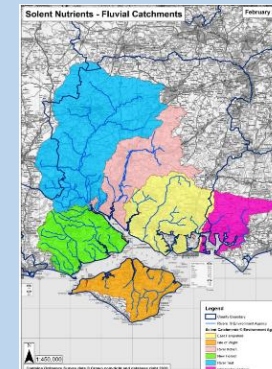
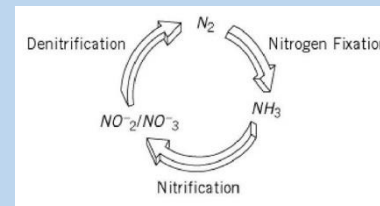
High levels of dissolved inorganic nitrogen (made up of nitrates, nitrites and ammonium) are affecting The Solent coastline and the feeding sites of over wintering birds. Nitrate rich water breeds algae and cuts off the natural vegetation these birds need to feed on, and light to the seabed. There are also plants, habitats and other animals within The Solent which are of both national and international importance. Some of these are protected by UK Law.

One of the causes of a deterioration in water quality is new developments creating additional wastewater which is treated at Peel Common Wastewater Treatment Works and discharged into The Solent. The percentage of nitrate coming from this source varies depending on the location in The Solent but is small in comparison to that arising from agriculture and background levels already in the waterbody.

No planning permissions could be granted for a considerable period after March 2019 on new residential and overnight accommodation. This was affecting the ability to meet obligations in terms of housing need.

Several solutions were considered including:

- Management of existing agricultural land
- Wetland creation
- Water efficiency measures in existing FBC housing stock
- Improvements to Peel Common wastewater treatment works
- Additional mitigation land secured through the Regional Habitat Creation Scheme
- Catchment Sensitive Farming Advisors and advice



Key actions taken to address the risk included:

- Mitigation schemes identified across The Solent catchment area which could generate nitrate credits by switching land use from agriculture.

- Tripartite agreements set up for agricultural land outside of the Borough, between agricultural landowners, FBC and the local authority where the land is based. These agreements stop the land from being used agriculturally, in perpetuity, and contain a calculation for the 'nitrate credits' based on the type of agricultural land use and the area of the land.
- Schemes with agreements in place publicised to developers, so they can approach the landowner and buy enough nitrate credits to offset the expected nitrate debits expected to be created through the additional residents being housed in new builds (based on the estimate of the amount of waste they will be contributing to the treatment works).
- Under the agreement the local authority (where the land is) is required to monitor that the use of the land (and any required actions such as tree planting) continues in accordance with the agreement terms. This monitoring is paid for by the landowner (who in turns gets income from selling the nitrate credits).
- Investigated potential to buy up farmland to sell for nitrate credits (but price increases were prohibitive)
- Improved water efficiency of the Council's housing stock to generate credits which are used for the FBC housing builds.
- Commissioned work across the Borough, to assess whether the effects of emissions from increased traffic along roads within 200 metres of European Protected Sites would have a likely significant effect upon them. This work has been completed and it was concluded that there would not likely be significant effects upon European Protected sites arising from this source.

Key actions still to do include:

- Continue to take advantage of the opportunities that arise, including entering into more agreements or partaking in other solutions that may come to light to mitigate the impacts of nitrates upon The Solent from new residential development.
- Lead on actions arising from the monitoring which indicates that the agreement in terms of the changed land use is not being adhered to.

Appendix C - Risks noted where further actions are still needed

Failure to meet the requirements of the Building Safety Bill 2021

Under the new Building Safety Bill, if the Building Control Partnership is unable to evidence the necessary competencies outlined by the Building Safety Regulator, there is a risk the partnership could be put into special measures.



Service Area(s) leading on managing the risk:

Building Control

For further information contact:

Head of Building Control Partnership (JS)

Background to the Risk

As part of the response to the Hackitt report into building regulations and fire safety following the Grenfell tragedy, a new building safety bill is due to come into place at the end of 2021, which will include a two-year transition period. Under the bill a new Building Safety Regulator will be responsible to oversee both the private and public sector building control officers who will be required to become registered and providing existing and ongoing proof of specific competencies. In particular only local authorities will be permitted to carry out the building control work for high-risk buildings (over 18m tall and containing living accommodation), and the regulator will have an expectation that the local authority has the necessary competencies in place when called upon to do this work. There are some “in-scope” buildings in Portsmouth and Gosport.

As part of the second stage of the new process, the Building Control Partnership could be called upon to provide relevant regulation expertise on submitted applications, ready for approval. There are still a number of details to be outlined as part of the new bill. However, it is anticipated the new bill could result in increased workload, existing employees becoming highly valuable and result in additional pressures to ensure the team obtain and maintain the required competencies.

It has been confirmed there will be necessary sanctions should any authority be put into special measures. It has not yet been confirmed what the sanctions will be, but it has been suggested penalties such as fines could be implemented.

This is a major risk for the service in terms of the changes to the market in which they operate, how they resource the new responsibilities and managing the change with their clients, alongside the parts of the current application process that are not changing.

Key actions taken to address the risk include:

- Continual monitoring of the information about the bill being communicated by the bodies involved in advising the government - Chartered Association of Building Engineers and RICS (Royal Institute of Chartered Surveyors).
- Subscription to the LABC (Local Authority Building Control) as the national representative body
- Registered for updates from the Building Safety regulator as they arise
- Liaison with other building control teams.

The Head of Building Control is confident the existing team has the relevant competencies which have so far been announced

Key actions still to do include:

- Provide future training programme to ensure competencies are maintained. This will be funded from the building control reserve.

Local Government Boundary Review

There is the risk of not complying with the Boundary Commission's requests for information which could result in a financial penalty. There is an additional risk that the provision of flawed information does not result in the optimal democratic arrangements for the Borough.



Service Area(s) leading on managing the risk:

Democratic Services

For further information contact:
Head of Democratic Services (LU)

Background to the Risk

The Local Government Boundary Commission for England (LGBCE) is undertaking a fundamental review of the governance structure of the Council, including the warding patterns across the Borough, which they do periodically (our last one was in 2000). The review process takes around a year with two phases of public consultation where proposals and comments on ward boundaries are asked for.

The first phase is to determine the total number of councillors that should be elected to the council in the future; this is to be completed by December. The consultation will then take place during next year to determine the total number of wards, and the ward boundaries. It will also determine the number of councillors elected to each ward and the name of each ward.

The final recommendations will be published in November 2022, coming into effect in 2024. The 2022 election will be for a two-year term only, then 2024 will be all out, two candidates per ward being elected.

Key actions taken to address the risk included:

- Full review and analysis of the current wards in the Borough including electorate data against the tolerances set
- Forecast electorate for 2027 by polling district, capturing current data, plus Local Plan Development forecast and Polling District forecasts
- Analysis of the impact of Welborne along with other development sites that will be built and lived in within 5 years
- Communication plan with CXMT and members

Key actions still to do include:

- Final submission to LGBCE recommending the number of councillors
- Communications plan for subsequent consultation on the ward boundary arrangements

Corporate Criminal Offence of Facilitation of Tax Evasion

There is a risk that FBC could be considered to have been facilitating tax evasion either internally or through a third party, meaning we have committed a corporate criminal offence. This could lead to an unlimited financial fine and damage to our reputation.



Service Area(s) leading on managing the risk:

Finance and Audit

For further information contact:
Finance Business Partner (KC)

Background to the Risk

Part 3 of the Criminal Finances Act 2017 creates the Corporate Criminal Offence (CCO) of failure to prevent the facilitation of tax evasion by an associated person, either in the UK or overseas. An associated person can be an employee, agent, or persons who perform services on behalf of the Council.

For example, if FBC used a supplier during the pandemic with the knowledge that they were receiving furlough payments for the employees they were using on the FBC contract, then FBC would have committed a criminal offence

The key defence against allegations of the offence is to have reasonable prevention procedures in place.

HM Revenues and Customs can at any time undertake a Business Risk Review to look at and rate the FBC response to CCO. This rating would be based on how we mitigate the risk of committing an offence through our behaviours across six core principles: Risk Assessment, Proportionality of risk-based prevention, top level commitment, due diligence, communication (including training) and monitoring and review.

Key areas of tax risk that have been identified for FBC are: VAT, Construction Industry Scheme, PAYE, IR35, Stamp Duty Land Tax and Covid Grants.

Key actions taken to address the risk included:

- A draft Corporate Criminal Offence Policy (failure to prevent the facilitation of Tax Evasion under the Criminal Finances Act 2017) has been written, detailing the FBC response to the six core principles and what the key areas of risk are. Top level commitment obtained from Senior Managers
- A risk assessment has been compiled and is updated as new risks and mitigations are identified.
- An action plan has been created to detail our response at mitigating key areas of risk
- Appropriate questions and terms included in the procurement process
- Annual Tax working group set up to carry out an annual review against the CCO risks
- Training has been held for all GPC card holders, to inform them about the CCO responsibilities, and how to correctly account for VAT

Key actions still to do include:

- Top level commitment needs to be sought for the policy from the Audit and Governance Committee.
- Delivery on the new actions identified in the action plan included training and awareness of other targeted groups

Welborne development stalls due to funding gap for the motorway junction

There is the risk that the progress on the site is delayed, resulting in increased costs, and ultimately there is the risk that fewer houses can be delivered by the development if the motorway works do not happen.



Service Area(s) leading on managing the risk:

Welborne

For further information contact:
Welborne Strategic Lead (SW)

Background to the Risk

In order to accommodate the number of homes in the Welborne development, changes are needed to Junction 10 of the M27. If this work is not completed, then the number of homes that can be built on the site will reduce from 6,000 to 1,160.

There is a condition on the planning permission that works on the site cannot commence until an approved funding strategy for the junction has been submitted to the Council.

There are a number of parties and different funding streams involved with the delivery of the junction including: the developer, Hampshire CC (Highways), the Department for Transport, Solent Local Enterprise Partnership, Government Departments / Homes England, and Fareham Borough Council.

Housing Investment Grant (HIG) Funding has been offered by Homes England which will require agreements to be entered into by Fareham Borough Council and Hampshire County Council.

There are a number of risks at play in relation to the funding for the junction:

- Risk – Gap in funding remains after contributing party options exhausted
- Risk – Developer unable to borrow for their contribution to the scheme
- Risk – Homes England grant determination agreement unacceptable / too high risk to one of the parties
- Risk – Homes England agreement not endorsed by senior government officials

Key actions taken to address the risk included:

- Representations made to Government
- Joint working with other involved parties and partners on the project
- Working with HCC as the scheme promoter to enter into the grant determination agreement with Homes England
- Parallel memorandum of understanding to be entered into between Fareham Borough Council and Homes England
- S106 signed as a tripartite agreement
- Cabinet approval at councils in place to enter into agreements
- Planning committee approval for the revised levels of affordable housing
- Clause included in agreements for use of the funding for affordable housing as the developer makes profits

Key actions still to do include:

- Agreements to be approved by Secretary of State and Chancellor and signed by all parties
- Finalise the terms of the Memorandum of Understanding with Homes England
- Tenders to be sought by HCC against the scheme design to see if the funding pot is adequate.
- Contingency sum to be added to the scheme forecasts



Failure to Deliver Fareham Live

The construction of Fareham Live, as with any new building, has the inherent risks of failing to deliver the project on time to agreed specifications and within budget.

Service Area(s) leading on managing the risk:

Property Services

For further information contact:

Property Development Officer (GS)

Background to the Risk

This is a big project for the Council and Property Services are key to it being delivered. Risks associated with the project include:

- Building not ready by official opening time – reputational risk
- Financial Implications of delays in completing the building e.g. loss of management fee income and extra contractor costs
- Cost of the Building exceeds the budget allocation e.g. unknowns found that are outside of the fixed price tender
- Funding sources (e.g. CIL) not in place as the project progresses
- Levelling up funding bid timescales not achieved
- Lack of continuity in the management team of the operator
- Project design does not lead to the expected income streams e.g. dining experience
- Legalisation requires a change in building design e.g. Covid requirements for better ventilation

There are clear delivery requirements that are expected for the design of the building; for example: 800 seat capacity, second auditorium, improved access with wider open plan reception. However, since the plans were finalised the management team of the operator have changed. The Property Services team will need to ensure the approved design is delivered without changes that could increase cost or delay completion.

The original budget envelope was based on the Quantity Surveyor estimates and it is unknown what the actual tenders will come back as, given the increases in labour and materials costs. All contractors on our shortlist prepared before Covid, with the exception of one contractor who now has a full order book, will receive our tender document before the end of October 2021. Against a very buoyant construction market we are due to receive tenders back at the end of December 2021.

The funding options include the forward funding of Community Infrastructure Levy (CIL) and the Levelling Up Fund bid which should be announced in the Autumn. If we are accepted, we will need to start works in March 2022. The evaluation process will involve contractor interviews so there may be a need for a special executive meeting to meet these challenging deadlines.

Key actions taken to address the risk included:

- Design has been agreed by the different parties and Property Services leading on delivering to the design and sign off of the construction phases
- Shortlist of tenders agreed. The Finance Business Partner has carried out checks on the companies to ensure they are the right size and local for the project.
- Experienced project manager appointed, and experts pulled in as needed
- Professional team in place with clear responsibilities and chain of authority
- The Budget envelope has been re-evaluated post-Covid and takes account of the cost increases happening in the market

Key actions still to do include:

- Respond to the outcomes of the Levelling Up Fund bid
- Identification of any unknown costs once works commence and revaluation of the specification

Recruitment to Hard to Fill Posts

There are traditionally some hard to fill posts which are being made more challenging by recent changes in the habits in the labour market.

Failure to recruit can make it difficult to deliver services and impact on those employees who are in post.



Service Area(s) leading on managing the risk:

Human Resources (HR)

For further information contact:

HR Business Partner (TH)

Background to the Risk

One of our biggest issues presently is an aging workforce and a competitive marketplace. Traditionally there are posts such as HGV drivers and building control surveyors which are hard to recruit to. Other companies are offering incentives for a limited resource pool and employees are being more demanding in their expectations from an employment package (e.g. home working opportunities). The uncertainty in the economy is also making a section of the labour force reluctant to change roles.

Key actions taken to address the risk included:

- We are changing working conditions to recruit the right people, using this opportunity for a culture shift to a new hybrid way of working and flexible working which suits the current labour market
- Benchmarking packages being offered by other organisations and offering rewards such as market supplements as appropriate
- Further use of specific targeted advertising.
- An online recruitment tool is being sought for purchase to free up some HR officers' time so they can run interventions.

Key actions still to do include:

- Reintroducing more training packages as an incentive to attract new employees.
- Review of competitiveness of the FBC package being provided to professionals and managers



Civic Offices Refurbishment to meet the Operational needs of Services and Tenants

The nature of the works needed to the Civic Offices need to be evaluated to ensure the building stays fit for purpose; this will place a funding need in the capital programme.

Service Area(s) leading on managing the risk:

Property Services

For further information contact:

Property Manager (IC)

Background to the Risk

The Civic offices have not had any major refurbishment projects whilst the decision of its future need or uses had been debated. The decision has now been made to continue to use the Civic offices as the main location for office-based employees of Fareham Borough Council and any tenants that may wish to rent parts of it in the future. With this decision comes the need to understand the needs of the building and making it fit for that purpose.

The refurbishment will need to take account of the following issues:

- Meeting the green agenda policy and carbon reduction plan:
 - Original windows from 1974 with poor thermal quality
 - Heating and ventilation components are failing – also may need to change in light of future gas availability and costs plus Covid ventilation requirements
 - Fluorescent tube lighting is still being used – there will be a need to move to LED
- The other refurbishment needs of the building:
 - The overdue renewal of the protective concrete coating
 - Refurbishment of the toilet facilities that were last updated in 2005 but need further investment to prevent the frequency of closure
 - Inter floor security to enable FBC employees and tenants of the building to work together safely and securely
- New ways of working:
 - More people working from home may lead to a need for different office layout
 - Possibly less need from tenants as their staff find other ways of working or more choice of other workspace locations – leading to loss of tenant income

Key actions taken to address the risk included:

- Review completed of the future need to retain the Civic Offices

Key actions still to do include:

- Development of Asset Management Plan for the civic offices including what is needed for the new way of working and the carbon reduction action plan.
- Identify funding sources for the plan.



Insufficient Funds for Community Building Repairs

There is the risk that works FBC are responsible for are not completed on Community Buildings, which could mean the buildings fall into a state of disrepair, become unusable or the costs of repair increase significantly.

Service Areas (s) leading on managing the risk:

Leisure and Community

For further information contact:

Leisure and Community Manager (EW)

Background to the Risk

In 2020 a piece of work was undertaken by Property Services to understand the repairs required to keep our Community Buildings up to an appropriate standard. This piece of work identified Capital Works required to the value of £422,000, with a further £112,500 of revenue expenditure required over a 5-year period. The key risk is that there is no funding readily available for these works which could lead to the buildings having to close with nowhere else for the associations to go, or that failing to repair something causes injury.

Key actions taken to address the risk included:

- Full review of all community buildings.
- Review of the legal obligations associated with the works
- Prioritisation of works needed as medium and high risk across a 5-year programme
- Review of leases to understand who is responsible for what work (FBC or the tenant (Community Association))
- Flagged in the Capital Strategy for future funding

Appendix D – Detailed List of Risks, Opportunities and Actions Covered in the Manager Discussions

Lists of Risks Discussed with: HEAD OF BUILDING CONTROL PARTNERSHIP	Included in main report
Risks where new actions were taken <u>anticipating</u> risks or opportunities	
<p>Covid Risk – Failure to maintain business as usual during the pandemic Actions taken to resource the tasks that were still needed during lockdown and provide the level of responsiveness that clients were used to.</p>	
<p>Covid Risk - Spread of Infection amongst workforce and client employees Protocols introduced and communicated across the team and clients to allow tasks to continue, including physical inspections, without an increased risk of infection with the Covid-19 virus.</p>	
<p>Covid Risk – Drop in employee well-being due to increased workload and changed holiday habits Actions taken to promote employee time-off even though the workload had increased, and the usual vacations were not happening.</p>	
<p>Non-Covid Risk – Income Levels for the Partnership Drop Continued action taken to monitor and increase market share to ensure costs of the partnership at least breaks even</p>	
<p>Non-Covid Risk – Failure to adequately attract and retain professionals to deliver the service Actions taken to promote recruitment, retention and succession planning for technical and administrative employees.</p>	Y
<p>Non-Covid Risk – Poor advice given as Sports Safety Ground Inspector Actions taken provide appropriate advice to Portsmouth Football Club as part of the Safety Advisory Group which protect spectators at Fratton Park.</p>	
<p>Non-Covid Risk - Poor safety advice given for Festivals and Events</p>	
Risks where new actions were taken <u>reacting</u> to risks or incidents	
<p>Non-Covid Risk– Windows update causing a loss in functionality of the tablets used out on site</p>	

Risks noted where <u>further</u> actions are still needed	
Non-Covid Risk – Failure to meet the requirements of the Building Safety Bill in terms of maintaining team competencies Actions taken to keep abreast of what the requirements may be and prepare as appropriate.	Y
Non- Covid – Failure to comply with the Building Safety Bill for FBC owned buildings Actions taken to keep abreast of what the requirements may be and communicate them. In particular the need for a named building safety manager.	
Non- Covid – Impact of Hot Weather on ground stability and buildings where building control work has been completed (especially prior to being part of the partnership)	

Lists of Risks Discussed with: HEAD OF DEMOCRATIC SERVICES		Included in main report
Risks where new actions were taken <u>anticipating</u> risks or opportunities		
Covid Risk – Effective and legal decision making not able to continue during the pandemic <ul style="list-style-type: none"> • Risk – No alternatives to holding formal committee meetings available in the required timescales • Risk – Unable to maintain good communication between democratically elected members to enable them to fulfil their governance role • Risk – Ineffective technology or user support affecting the operation of virtual meetings 		
Covid and Non-Covid Risk – Failure to deliver an efficient and legally compliant election in May 2021 <ul style="list-style-type: none"> • Risk – Not enough resources available to deliver the elections due to election staff vulnerabilities and self-isolation rules • Risk – Venues not available for use as polling stations (e.g. schools) • Risk - Value for money not obtained when booking venues and purchasing additional equipment for the polling and count venues • Risk – Unable to resource the postal vote opening process due to the increased demand from the vulnerable population and the handling of 3 sets of ballot papers • Risk – No venue available for the election count (due to the closure of Ferneham Hall and the construction works at the leisure centre) • Risk – Candidate applications are mishandled so they are not able to stand for election • Risk – Errors on printing of the ballot papers 		
Covid Risk – Spread of Covid infection caused by the May 2021 election		Y
Covid Risk – Failure to Comply with Government Procurement Policy Notes (PPNs) issued during the pandemic		

Non-Covid Risk – Breach of International data sharing rules due to the changed status of the UK following Brexit	
Risks where new actions were taken <u>reacting</u> to risks or incidents	
Covid Risk – Unable to appoint a new Civic Mayor for the 2020/21 term of office	
Covid Risk– Democratic and Elections staff not able to carry out their duties during periods in the pandemic (e.g. no 2020 election or annual canvass)	
Covid Risk – Uncertainty as to whether the May 2020 Election was going to be cancelled <ul style="list-style-type: none"> • Risk that do not continue adequately with the election preparation timetable and the elections do get held • Risk that adequate IT connections not available in time at the Leisure Centre • Risk that unnecessary costs are incurred • Risk that do not adequately provide for members who were intending to stand down at the election 	
Risks noted where <u>further</u> actions are still needed	
Non-Covid Risk – Lack of clarity around Procurement Rules and future requirements following Brexit	
Non-Covid Risk– Mental wellbeing of staff affected by the need to adapt to the new way of working	
Non-Covid Risk – Loss of experienced staff before the next election	
Non-Covid Risk – Unable to resource responding to the increase in member complaints	
Non-Covid Risk – Failure to adequately deliver the Local Government Boundary Review <ul style="list-style-type: none"> • Risk – Outcomes of the review are flawed and affect future ward sizes and the number of councillors being elected • Risk – Penalty if do not comply with the Boundary Commissions instructions and deadlines • Risk – Failure to adequately prepare for the first post-review election in 2024 (involving the election of 2 candidates in each ward) 	Y
Non-Covid Risk – Failure to adequately support the culture change of the new way of working (paperless committees)	

Lists of Risks Discussed with: HEAD OF DEVELOPMENT MANAGEMENT

Included in main report

Risks where new actions were taken anticipating risks or opportunities

Covid Risk – Tools and equipment not available (at the start) to deliver the service (and team members without adequate person tech including broadband)	
Covid Risk – Unavailability of printing facilities (plans, consultations and laminated notices) needed for the planning process	
Covid Risk – Unable to carry out on-site inspections as part of the planning application process / risk of infection amongst the staff and applicants	
Covid Risk – Well-being of staff affected by loss of office working environment	
Covid Risk – Loss of income due to a fall in demand for planning applications (recovered by the end of the year)	
Covid Risk – Working from home affects ability to liaise adequately with relevant team members on cases (loss of multiple immediate small conversations)	
Covid Risk – Failure to meet customers’ expectations / application decision target times due to remote working and increases in demand for planning applications	
Covid Risk – Unable to cope with the increased phone call demand for general enquiries	
Covid Risk – Unable to respond to the increased number of planning enforcement cases	
Covid Risk – Unable to make planning decisions due to the lack of a Planning Committee	Y
Non-Covid Risk – Failure to adequately recruit and retain specialist staff in a competitive market	
Non-Covid Risk – Operation problems occur with the new S106 module in Ocella	

Risks where new actions were taken reacting to risks or incidents

Non-Covid Risk – Natural England nitrate advice affecting the ability to grant planning permission for housing Risk – Non-compliance with the Natural England advice (continued impact on the Solent bird and marine life)	Y
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<p>Risk – Unable to grant planning permission for new housing therefore impacting on meeting the 5-year housing supply requirement</p> <p>Risk – Legal challenge from third parties if mitigation not properly identified and secured</p> <p>Residual Risk – Landowners for mitigation schemes do not comply with the terms of the agreement</p> <p>Residual Risk – Nitrate credits for the Borough are exhausted</p>	
<p>Non-Covid Risk – Natural England advice on the impact of Fareham residents on the designated sites for birds in the New Forest affecting the ability to grant planning permission for the developments in the western side of the Borough</p>	
<p>Non-Covid Risk – Judicial review for housing planning permissions in Warsash</p>	
<p>Risks noted where <u>further</u> actions are still needed</p>	
<p>Non-Covid Risk – Council’s Tree Strategy doesn’t adequately balance the needs of the Borough against the financial cost of the approach taken</p> <p>Risk - Failure to deliver within the revised budget established in October 2021</p> <p>Risk - Insurers oppose the new proposed inspection regime leading to increase costs</p> <p>Risk - Unknown impact on the cost of planned trees works by the new inspection regime</p> <p>Risk - Unable to generate sufficient strategic tree planting sites</p> <p>Risk - Volunteers not forthcoming to help manage the trees on the strategic sites</p> <p>Risk - Street scene do not have the capacity to take on the tree planting at the strategic sites as well as the low-level tree works</p>	
<p>Non-Covid Risk – Council’s approach to Ash die back is not the most cost effective or results in damage or injury</p>	
<p>Non-Covid Risk – Significant financial impact arising from planning appeals</p>	
<p>Non-Covid Risk – Delays with the Welborne development after Planning permission and s106 agreement completed</p> <p>Risk – Funding for Junction 10 of the M27 not in place</p> <p>Risk – Reserved matters not agreed for the rest of the development (following the outline planning permission already granted)</p>	

Lists of Risks Discussed with: HEAD OF FINANCE AND AUDIT

Included in main report

Risks where new actions were taken anticipating risks or opportunities

Covid Risk – Impact on the Financial Resilience of the Organisation

Y

Covid Risk – Failure to deliver adequate Business Grants Schemes to support local businesses

- Risk of not paying grants in accordance with the government rules leading to them failing to honour the payments FBC made
- Risk of not meeting customer expectations in assisting them with accessing grants available
- Risk of applicant dissatisfaction with the process and outcomes
- Risk of fraud and error in the processes
- Risk of breach of GDPR in handling of the data collected for the schemes
- Risk of not meeting government expectations in speed of delivery of the schemes (and losing money available to give out)
- Risk of not meeting government expectations (including HMRC) in terms of completion of the plethora of returns

Covid Risk – Failure to meet the grant conditions attached to government funding schemes

Covid Risk – Failure to meet HCC expectations in the delivery of the Test and Trace support service

Covid Risk – Implementation of changes to financial processes, such as the payment of invoices, to cope with the workforce working from home, leads to fraud and error

Covid Risk – Failure to meet statutory requirements such as the production of the Statement of Accounts and the External Audit of those accounts

Covid Risk – Issuing of a Qualified Chief Internal Audit Opinion due to inadequate internal audit coverage in the year

Covid Risk – Failure to meet the organisation’s or employee needs in terms of office and homeworking during the different phases of the pandemic (including keeping everyone safe and safeguarding their mental well-being)

Non-Covid Risk – Failure to implement the Breathing Spaces Regulations (Debt Respite Scheme) resulting in an offence being committed under the Unfair Trading Regulations and repayment of the protected person’s costs.

Risks where new actions were taken reacting to risks or incidents

<p>Covid Risk – Reduced ability to carry out debt recovery activities to retain income collection levels</p> <ul style="list-style-type: none"> • New Government legislation to protect vulnerable people and businesses during the pandemic • Local policy changes to support those in hardship • Unavailability of legal system to pursue persistent debtors 	
<p>Covid Risk – Inability to cope with telephone demand for council tax and business grants teams</p>	
<p>Risks noted where <u>further</u> actions are still needed</p>	
<p>Non-Covid Risk- Committing the Corporate Criminal Offence of failure to prevent the facilitation of tax evasion</p>	<p>Y</p>
<p>Non-Covid Risk – Failure to implement a new finance system which is fit for purpose</p> <ul style="list-style-type: none"> • Risk of late delivery incurring financial penalties • Risk of functionality not available or inaccurate to meet statutory obligations such as Statement of Accounts and VAT returns • Risk of poor user buy-in to the new system • Risk of not achieving the process and financial benefits and priorities set for the project 	
<p>Non-Covid Risk – Inability to bridge the Finance Strategy Funding Gap</p>	
<p>Non-Covid Risk – Excessive external audit costs incurred as the result of a poor approach to the procurement of the external Auditors</p>	

Lists of Risks Discussed with: HEAD OF HOUSING DELIVERY

Included in main report

Risks where new actions were taken anticipating risks or opportunities

Covid risk - Risk of Covid infection, and the perception of the safety of working arrangements for employees, members, and the public, during the pandemic.

Y

Non-Covid risk – Failure to use the funding streams available to maximise the delivery of development priorities in the Borough

- Changes in the regulations for the use of one-to-one receipts
- New grant funding opportunities arising, for certain tenure and build types
- Maintenance of the HRA reserves to support future capital spend
- Identification of monies available through S106 agreements for affordable housing

Non-Covid risk – Failure to adequately resource the different services being provided by the team – A new team structure was implemented and successfully recruited to, along with ongoing effective management of the capacity of the team across different projects.

Risks where new actions were taken reacting to risks or incidents

Covid risk – Delivering Housing Development Sites in progress during the pandemic - The national lockdown arising from the Covid-19 pandemic effect on the construction of sites in progress at the time and the ability to deliver on time with no financial loss.

Y

Non-Covid risk – Delays with Housing Development Sites ready to start - Project price increases for Housing Development sites ready to start but are being delayed due to HCC Section 278 Highway Agreement delays

Y

Risks noted where further actions are still needed

Non-Covid risk – Increases in forthcoming tender prices for Housing Development Sites exceeding the capital budget provision for the schemes

Economic impact of Covid and other factors leading to increased costs of labour, materials and uncertainty contingencies, and the increased demand for construction work

Non-Covid risk – Implementation of the new housing systems does not deliver the expected benefits and results in unexpected costs and errors

Non-Covid risk – Failure to deliver the carbon reduction measures available from greener housing stock

<p>Non-Covid risk – Lack of appropriate policies in place to support specific Housing Developments</p> <ul style="list-style-type: none"> • Affordable Housing Strategy – now adopted • Fareham Housing Greener Policy – now adopted • Shared Ownership Policy – nearly finalised • Acquisition Plan and Empty properties strategy – to do • Sheltered Housing strategy – to do • Regeneration Strategy – now adopted 	
<p>Non-Covid risk – Welborne – Failure to maximise the Affordable Housing Delivery achievable for the new development</p>	
<p>Non-Covid risk – Failure to successfully implement the new way of working with no impacts on service delivery</p>	

Lists of Risks Discussed with: HEAD OF STREET SCENE

**Included in
main report**

Risks where new actions were taken anticipating risks or opportunities

Covid Risk – Unavailability of Staff to deliver the priority services and the increase in demand	Y
Covid Risk – Mental well-being of staff asked to isolate deteriorates due to non-availability of tasks to be done and difficult home environment	
Covid Risk – Infection spread by service working arrangements and poor social distancing measures	
Covid Risk – Infection spread amongst the public using the council services (e.g. play areas, open spaces)	
<p>Non-Covid Risk – Problems arise with delivering the new chargeable service for Garden Waste</p> <p>Risk – Not enough vehicles to cope with demand</p> <p>Risk – Bins are not delivered on time for the due date for the start of the service paid (which have been paid for upfront)</p> <p>Risk – Over-preparation for service demand that does not materialise, resulting in abortive costs</p> <p>Risk – Demand does not meet required income generation targets</p> <p>Risk – Unable to cope with peaks of demand for delivery of new bins after go-live date</p> <p>Risk – Unable to deal with spike in phone call enquiries</p> <p>Risk – Public not aware in the change in the service (including having left over green plastic sacks)</p> <p>Risk – Managing complaints received about the introduction of the charge and the cost of the publicity campaign</p> <p>Risk – Software failures including poor management of subscription starters and stoppers</p> <p>Risk – Disposal arrangements stop being available</p>	Y
Non-Covid Risk - Lack of HGV Drivers in the country	
<p>Non-Covid Risk - Rounds are not balanced to optimise the delivery of the service</p> <p>An additional round has now been added to the establishment</p>	
Non-Covid Risk - Cemetery Regulations do not maximise the capacity available for burials	
Non-Covid Risk - Poor inspection regimes for cemeteries and open spaces	

Software purchased to manage inspection records and extra resources undertaking routine inspections for hazards	
Risks where new actions were taken <u>reacting</u> to risks or incidents	
Covid Risk – Textile Market Collapse and loss of income stream	
Non-Covid Risk – Reduced availability of Fuel for Council Vehicles due to national delivery shortages	
Non-Covid Risk – Fuel pump failure at the depot preventing the use of the Council’s fuel stocks	
Risks noted where <u>further</u> actions are still needed	
Non-Covid Risk – Failure to meet the requirements of the Environment Bill (Waste Strategy) Risk – Unable to deliver weekly food waste collections Risk – Unable to deliver kerbside collection of recyclable materials Risk – Uncertainty of the type of vehicles needed to respond to the waste strategy and procurement timescales to get them in place Risk – Impact of deposit return schemes on kerbside collection rates and income streams Risk – Local recycling facilities not ready in time to receive our food waste and other recyclables materials Risk – Impact of new responsibilities on meeting the climate change measures	
Non-Covid Risk – Vehicle fleet and infrastructure inappropriate for optimum fuel sources in terms of cost and environmental impact (e.g. electric vehicles, hydrated vegetable oil)	
Non-Covid Risk – Changes in relationship with HCC and potential drop in funding	
Non-Covid Risk - Additional demand for work arising from adopting additional land cannot be resourced	
Non-Covid Risk– Stock condition surveys of Sports pavilions and community buildings and Inspection regimes at cemeteries and open spaces identified works required that exceed current budget allocations	

Lists of Risks Discussed with: WELBORNE STRATEGIC LEAD

Included in
main report

Risks where new actions were taken anticipating risks or opportunities

Non-Covid Risk – Planning team not skilled up to assess applications against the design code for the scheme (delivered in 2020)

Non-Covid Risk – Zero rated CIL policy for the scheme not adopted

Risks where new actions were taken reacting to risks or incidents - None

Risks noted where further actions are still needed

Non-Covid Risk – Failure to maximise the delivery of affordable housing from the site

Non-Covid Risk – Welborne development stalls due to funding gap for the motorway junction

- Risk – Gap in funding remains after contributing party options exhausted
- Risk – Developer unable to borrow for their contribution to the scheme
- Risk – Homes England grant determination agreement unacceptable / too high risk to one of the parties
- Risk – Homes England agreement not endorsed by senior government officials

Y

Non-Covid Risk – Delays on site due to parts of the process stalling:

- Signing of the S106 agreement
- Reserved matters applications
- Discharging the pre-commencement conditions
- Housing Strategy and Energy strategy
- Plans for new school
- Plans for Health and Well-being hub

Non-Covid Risk – Failure to adequately manage public opinion on the different timescales for the smart motorway and works for junction 10, and the impact of the inquiry into smart motorways

Non-Covid Risk – Failure to deliver the Welborne development puts pressure on other sites for housing development

Non-Covid Risk – Political or public unrest about the development

Lists of Risks Discussed with: LEISURE AND COMMUNITY MANAGER

Included in main report

Risks where new actions were taken anticipating risks or opportunities

Covid Risk – Failure to provide adequate assistance to Vulnerable Groups during lockdown	Y
Covid Risk – Loss of Critical Supplier (Leisure Centre Operator)	Y
Covid Risk – Fraud and Error in the administration of the Covid-19 Special Grants Programme (for local community groups)	
Covid Risk – Covid infection spread as a result of Access All Areas events	
Non-Covid Risk – Risk of Health and Safety incident during an outside event (e.g. Christmas lights switch on)	
Non-Covid Risk – Risks when using the Ferneham Hall Building for the election when had been closed for development	

Risks where new actions were taken reacting to risks or incidents

Covid Risk – Leisure events cancelled or had to be delivered in a different way (e.g. West Street sand pit)	
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Risks noted where further actions are still needed

<p>Non-Covid Risk - Failure to deliver appropriate community arts and entertainment venue</p> <ul style="list-style-type: none"> • Risk that the project is no longer fit for purpose following changes in habits after the pandemic (project temporarily put on hold) • Risk of increased construction costs • Risks that funding sources do not materialise • Risk that the financial model for the operation of the venue is no longer viable • Risk that the reduced subsidy for the venue is not realised 	
Non-Covid Risk – Insufficient Funds for Community Building repairs	Y

Lists of Risks Discussed with: PROPERTY MANAGER

Included in main report

Risks where new actions were taken anticipating risks or opportunities

<p>Covid Risk – Buildings not available to assist with the basic delivery of services (ICT/Post/CSC/Tenants)</p> <ul style="list-style-type: none"> • Facilities team split into A and B teams and work rotas to ensure one team available if Covid outbreak occurs • Skeleton CSC staff maintained • Extended opening times to 7pm whilst Public Health England had to prepare for pandemic • Extra duties during lockdown e.g. switching on/off PCs and flushing works at Ferneham Hall 	
<p>Covid Risk – Risk of Covid Infection amongst employees and tenants using the building</p> <ul style="list-style-type: none"> • Working with Head of Housing Delivery on building layout for safe distancing – moving desks and signage etc. • Enhanced cleaning regime • Purchasing and distributing PPE 	
<p>Covid Risk – Unable to deliver Property Projects due to lockdown restrictions</p> <ul style="list-style-type: none"> • Site visits reduced to a suitable level - some online, some visits to quieter sites e.g. Fareham Leisure Centre as closed to the public., Faraday - could view from a distance. 	
<p>Covid Risk – Unable to progress Property Projects due to non-availability of materials</p> <ul style="list-style-type: none"> • Struggled to purchase construction / building supplies, particularly concrete products. Suppliers were either closed, working from home or had furloughed staff. Dates for delivery got pushed back. • Contractors have made slight increases in cost but reasonable. 	
<p>Covid Risk – Failure to deliver legal requirement to carry out gas servicing</p> <ul style="list-style-type: none"> • Gas servicing contractor had good arrangements in place for social distancing and tenants felt safe. • Continue to go into properties - housing and commercial. • Different approach if someone was self-isolating - would rearrange visit unless there was a leak or no heating 	

Risks where new actions were taken reacting to risks or incidents - NONE

Risks noted where further actions are still needed

<p>Non-Covid Risk – Failure to Deliver Fareham Live to the correct specification, budget, and timescale</p> <ul style="list-style-type: none"> • Risk – Building not ready by official opening time– reputational risk • Risk - Financial Implications of delays in completing the building e.g. loss of management fee income and extra contractor costs 	<p>Y</p>
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<ul style="list-style-type: none"> • Risk – Cost of the Building exceeds the budget allocation • Risk – Funding sources (e.g. CIL) not in place as the project progresses • Risk – Levelling up funding bid timescales not achieved • Risk – Lack of continuity in the design team provided by the operator • Risk – Project design does not lead to the expected income streams e.g. dining experience • Risk – Legalisation requires a change in building design e.g. Covid requirements for better ventilation 	
<p>Non-Covid Risk – Layout of ground floor (Civic offices) not meeting requirements (update)</p> <ul style="list-style-type: none"> • This project needs updating as to what services require post Covid • Tenants (Probation team) – still in discussion about the needs of their service and what it will look like 	
<p>Non-Covid Risk – Failure to comply with Health and Safety Risks and Legislative requirements</p> <ul style="list-style-type: none"> • The Fire Safety Act 2021 <ul style="list-style-type: none"> • Additional requirements on responsibilities of tenants • Additional requirements on fire doors – although we are ahead of schedule on this • Additional requirements on building cladding – although we only have low rise buildings with cladding so lower risk • The Building Safety Bill <ul style="list-style-type: none"> • Will need to appoint a Building Safety Manager • Biggest issue will be people understanding their responsibilities in managing assets training officers and continuous awareness campaigns 	
<p>Non-Covid Risk – Failure to meet the carbon reduction measures required for the Council’s buildings</p>	
<p>Non-Covid Risk – Funding availability to maintain and keep estate in good order</p> <ul style="list-style-type: none"> • Daedalus site • Community Buildings • Pavilions and Gyms • Depot • Car parks 	
<p>Non-Covid Risk – Funding availability to maintain and keep Civic Offices in good order</p> <ul style="list-style-type: none"> • Windows thermal quality • Concrete coating • Heating and ventilation system components • Phasing out of fluorescent tube lighting • Floor security • Toilet refurbishments 	Y

Lists of Risks Discussed with: CORPORATE SERVICES MANAGERS

Included in
main report

Risks where new actions were taken anticipating risks or opportunities

Covid Risk - Failure to communicate with the vulnerable groups in the Community	
Covid Risk - Failure to provide clear and appropriate signage at Council facilities to help people do the right thing	
Covid Risk - Maintaining CSC services under lockdown conditions (incoming calls, post, payments with no cash office, banking)	
Covid Risk – Spread of Covid infection at the Election Count	Y
Covid Risk – Spread of Covid infection as a result of reception opening to the public.	
Covid Risk – Failure to provide web platforms to aid communication with the public, employees, members & the Recovery Group	
Non-Covid Risk – Communication mechanisms do not meet local and legal expectations on big issues happening in the Borough e.g. Local Plan,	
Non-Covid Risk – Failure to deliver expectations communicated in relation to the Council’s response to Climate Change	
Non-Covid Risk – Technical capability of alternative sites to Ferneham Hall not suitable to delivering elections	
Non-Covid Risk – Failure to meeting legislative requirements and deadline for Website accessibility and use of Cookies	

Risks where new actions were taken reacting to risks or incidents

Covid Risk - Incoming calls during the early part of the pandemic exceeding capacity	Y
Non-Covid Risk – Loss of Cash receiving facilities in December 2020	

Risks noted where further actions are still needed

Non-Covid Risk – Communications Strategy not maximising engagement with hard-to-reach groups	
Non-Covid Risk – Failure to deliver benefits from the Website Migration to the Cloud	

Lists of Risks Discussed with: HUMAN RESOURCES BUSINESS PARTNERS

Included in
main report

Risks where new actions were taken anticipating risks or opportunities

Covid Risk – Failure to keep vulnerable employees safe from infection.

Y

Covid Risk – Vaccination roll out not successful

- Risk that take-up was low so could not get employees back into work (and vaccinations wasted)
- Risk that side effects of the vaccination resulted in significant lost time all within one service

Covid Risk – Non-Compliance with the ever-changing Government Guidance

- Risk that misinterpreting rules or missing changes causes conflict with employees and reputational damage if an outbreak occurs
- Risk that do not meet the government’s requirement for statistical information

Risks where new actions were taken reacting to risks or incidents

Covid Risk – Ensuring that enough staff are available to deliver the priority services

- Risk that vulnerable staff are not able to continue working in a safe way
- Risk that home environment not suitable for home working (or unstable) / reduces productivity (e.g. home schooling)
- Risk that test and trace and self-isolation schemes impact on staff availability

Covid Risk – Impact of Pandemic on mental well-being of the workforce (incl Covid anxiety, school closures and the loss of loved ones)

Risks noted where further actions are still needed

Non-Covid Risk – Not able to recruit to Hard to Fill posts

Y

Non-Covid Risk – New way of working impacts on service delivery and employee wellbeing

Non-Covid Risk – Increase in sickness levels

- Risk that reduction in social distancing measures leads to an increase in the spread of other infections
- Risk of higher number of major operations as the NHS catches up
- Risk that latent problems (such as stress) are being masked by the new working arrangements / focus on Covid