

Classification: Open	Decision Type: N/a
--------------------------------	------------------------------

Report to:	Audit Committee	Date: 12 October 2023
Subject:	Corporate Risk Register – Deep dive assurance report	
Report of	Lynne Ridsdale, Chief Executive, Bury Council.	

Summary

At the Audit Committee on the 31st July 2023, Members considered the Corporate Risk Register and 3 deep dives:

- Asylum and migration (appendix 1)
- Project Safety Valve (appendix 2)
- Climate change (appendix 3)

Following discussion of the item, Members of the Audit Committee resolved to seek further assurance as well as oversight from the Chief Executive regarding actions to reduce risk and effectively manage impacts.

The Committee resolved to receive a composite note from the Chief Executive at the next Audit committee (In relation to all 3 of the above issues).

Recommendation(s)

Members note the report.

Report Author and Contact Details:

Name: Julie Gallagher
Position: Head of Democratic Services
Department: Corporate Core
E-mail: Julie.Gallagher@bury.gov.uk

Links with the Corporate Priorities:

Internal Audit undertakes assurance work to all Departmental Directors and Statutory Officers regarding the systems in place, making recommendations for improvements to control and protect the assets and resources of the Council. The control and mitigation of the loss of funds gives the assurance that public money is used in an appropriate manner to deliver the Corporate Priorities.

Equality Impact and Considerations:

Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

- (a) eliminate discrimination, harassment, victimisation, and any other conduct that is prohibited by or under this Act.
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services.

Internal Audit provide assurance to Committee Members and the public that the organisation is delivering services in line with agreed policies and procedures which have considered the requirements of the Equality Act 2010.

Environmental Impact and Considerations:

See Appendices

Assessment and Mitigation of Risk:

Risk / opportunity	Mitigation
In undertaking their role as an Audit Committee, Members have identified areas of key consideration	The Chief Executive has drafted a composite note, to inform and provide assurance in respect of the areas identified.

Legal Implications:

The Council constitution sets out that the Audit Committee is responsible for providing assurance on the Council's audit, governance (including risk management and information governance) and financial processes in accordance with the functions scheme. Under the Account and Audit Regulations 2015, Authorities must undertake an effective internal audit to evaluate the effectiveness of their risk

management, control and governance processes. Consideration must be given to the Public Internal Audit Standards (PIAS) and sector specific guidance.

Financial Implications:

Mitigating some of the risks may require financial resources and a number of risks are around organisational and services financial resilience.

Background papers:

Audit agenda 31st July 2023

<https://councildecisions.bury.gov.uk/ieListDocuments.aspx?CId=133&MId=3394&Ver=4>

Appendix 1

CR28 -Asylum and Migration

Following the Deep Dive to the Audit Committee on the 31st July 2023 further assurance was requested with regard to actions to reduce risk and effectively manage impacts.

1.0 Current Position

The complexity and number of asylum seekers, new arrivals and refugees continue to increase within the Borough as the Government introduce and implement new and changed approaches to managing migration. The Home Office initiatives to reduce the backlog of asylum decisions and placements into hotels to manage the numbers of asylum seekers entering the UK are increasing the speed of the decision-making process which is increasing the pressure on local government services as people leave Home Office provision.

Current projected numbers indicate significant risks due to the lack of current accommodation and capacity to provide support. Principally the main factors include:

- Fast track system on asylum decision by the Home Office
- Afghan Bridging hotels scheme
- New Home Office dispersal and resettlement scheme
- Afghan refugee crisis
- Ukrainian refugee crisis

In Bury that due to the implementation of the Afghan Bridging hotel scheme it is estimated that that 82 singles and 23 families will initially be referred to the Homelessness and Housing Options Service.

These will include statutory or non-statutory with an estimated peak in numbers during September – November 2023, there is scepticism that the Home Office will meet these targets and numbers across Greater Manchester (GM). Heat maps containing the data on numbers in Bury and across GM are available and are being analysed.

2.0 Demand

Following the report to Audit Committee on the 31st July 2023. The demands continue to increase.

- Statutory emergency accommodation at capacity and been full for several weeks and demand is increasing.
- Temporary Accommodation provision increased from 40 to 115 units – 364 bed spaces in the last 2 years.
- B&B provision is being used to supplement this provision.
- Rough Sleeper provision full and has a waiting list. Non statutory provision - ABEN – 25 units. Rough sleeper numbers are increasing due to migration.

- RTOF worker – commissioned through Stepping Stones is supporting 20 asylum seekers.
- RSAP – 10 properties in the PRS – full / allocated – Stepping Stones
- ARAP – 10 properties in the PRS – all now allocated – Stepping Stones
- Ukrainian refugees some host arrangements failing due to length of conflict and arrangements being a short-term solutions– adding to homeless stat pressures.

The Homelessness and Housing Options Service is currently supporting 800+ cases to prevent homelessness, and the Service is operating a capacity.

3.0 Risks & Impact

- Demand increases risk the Services being unable to meet statutory accommodation duties.
- Potential for legal challenge.
- Increased number rough sleepers via migration route due to high number of singles that will be not classed as in priority need and have no recourse to public funds.
- Impact on asylum seekers / family coming through the service from Home Office Accommodation provided by Serco.
- Recent reduction in TA Huntley House closed (19 units), the Service is proactively looking for other accommodation.
- The affordability of the PRS market in Bury is limited due the Local Housing Allowance rates in relation to rent levels.
- Serco are actively procuring in Bury and in closed post code areas A closed post code area is due to high levels of ASB, Hate crime and high concentration data in a specific post code provided by GMP & Community Safety.
- Serco and the Home office continue to procure in the most deprived neighbourhoods due to costs / lower rent levels which then impacts and risks community cohesion.
- Impact on demands and pressure on the service is having impacts on staff due to high levels of pressure and the inability to source placements.

4.0 Solutions, risk mitigation – immediate / medium / long term

- Approval to increase staffing levels to meet demands has been given, funded by external migration funding.
- Recruitment is a challenge Currently recruiting for 2 temporary migration officers & 1 PRS officer to specifically to source accommodation for migration - 2 / 3-month process.
- B&B usage will significantly increase costs (ie £80pn vs £80pw for dispersed TA)
- GM Family leasing scheme –£306k funding achieved for 20 properties, working with an RP partner to source homes.
- Bringing empty homes is a priority but the capacity to deliver is limited.

- Development of specialist and supported housing to meet complex needs is a priority working with RP providers, however the lead in times are medium term which includes 30 units for complex single homeless & rough sleepers.
- Assessment of private sector developments are being explored to increase social, affordable and temporary housing options.
- Partnership working with RP's in the Borough to incentivise Bury as the place to build affordable and social housing. A review of the RP partnership arrangements is underway to expand the number of active partners in the Borough.
- Continued partnership working with GMCA / Regional Strategic Migration Partnership to identify solutions provide a collective response and feedback to the Home Office on local impacts and issues.

5.0 Summary Position

The impact of migration pressures in the Borough must be considered in the context of increased homelessness and the availability of social and affordable housing. The Council allocates @400 homes per year.

The increase in homelessness is a result of socio-economic factors, due to the cost of living and affordability and access to housing options and legislative change specifically changes in the private rented sector is leading to a significant number of landlords leaving the market.

The lack of move on accommodation and the people staying put due to the lack of other housing options to buy, affordability or move is slowing the market and access to social and affordable rent.

The impact is that many households are spending significant periods in temporary accommodation, 12 months+ which is creating the demand for increased levels of temporary accommodation while permanent rehousing is resolved.

There is serious concerns about the impact on all homelessness services across GM and the impact households and individuals within our communities, the concern is recognised nationally and requires a transformational change in address.

Appendix 2

Project Safety Valve

Background

Bury Council has been managing a deficit of c£20m on the High Needs Block of the Dedicated Schools grant for a number of years. In 2021 the Council was accepted on to Project Safety Valve (PSV); a partnership arrangement with the Department for Education to seek to eradicate the deficit through a project of reform and cost reduction.

The programme has been subject to a series of delays due to the scale of work required for delivery and significant increases in demand in recent years. In response, the new Chief Executive engaged specialist resource to fundamentally review and reconfigure the programme in order that the deficit can be reprofiled and an achievable plan approved.

Latest position

The proposed updated PSV programme has recently been submitted and presented to the DfE programme lead and advisors. The plan was well received, with DfE confirming that the plan was suitable for recommendation to the Minister, subject to the final QA of individual workstream plans. The plan comprised of the following workstreams:

- Managing demand through a graduated approach
- Developing the Local Offer
- Creating additional provision through two new special schools, a strengthened Education Other Than At School (EOTAS) offer, Alternative Provision and additional Resource Provision places in existing schools
- Establishing new arrangements for Assessment and inclusion Panels
- A strategic banding review and
- Structured approach to reducing the use of expensive out of borough provision when existing arrangements conclude as per approved plans.

The re-cast plan is now with advisors, there will be a final check in with advisors on October 11 and our finalised management plan will be formally submitted on October 13 for DfE to submit to ministers for approval and, if accepted, would achieve eradication of the deficit by 2028/29. The proposed revised delivery timeframe is outside of the originally approved timetable but has a significantly improved delivery confidence rating.

Risk management

The scale and value of the PSV programme means that it is high-risk. As part of new governance, a bespoke risk register has been developed to ensure all risks were identified and mitigations applied, as below

Key Strategic Risk	Mitigation
Delay in the two new Special Schools opening.	DfE management of build. Any delay would be difficult to mitigate timing of savings and sufficiency due to scale.
Delay in additional mainstream provision.	<ol style="list-style-type: none"> 1. Appointment of Capital PM to liaise with contractors and schools. 2. Relationship management with schools from senior LA leaders.
Existing Special Schools and IMNMS reduce sufficiency to Bury before our new special schools open.	<ol style="list-style-type: none"> 1. Develop commissioning strategy to include potential partnerships for future, but reduced, demand. 2. Relationship management by LA senior leaders
Stakeholder opposition, disengagement, and reputational damage to the council with schools, parents, carers, and other partners if savings are delivered but outcomes decline.	<ol style="list-style-type: none"> 1. Robust service improvement and SEND strategy. 2. Culture and stakeholder workstream will deliver robust engagement with all stakeholders. 3. Forma governance structure around the programme and individual workstreams.
Trajectory of growth of SEND cohorts greater than planned.	<ol style="list-style-type: none"> 1. Grip and responsiveness of the demand management workstreams, including Graduated Response and Local Offer. 2. Risk register embedded in each workstream to be regularly reviewed
Lack of governance leads to delays in intended outcomes.	<ol style="list-style-type: none"> 1. Appoint 1FTE PSV strategic lead 2. Strengthen with 0.5 FTE Programme Manager, 1 FTE Project Manager and 1 FTE Project Support Officer. 3. Continued support from finance including analyst and data intelligence.
Significant change to national SEND policy.	<ol style="list-style-type: none"> 1. SEND strategy reflects current national policy with any changes monitored by SEND Board.
Change to key financial assumptions, including DSG funding and inflation.	<ol style="list-style-type: none"> 1. Regular and robust review of expenditure with financial analysis. 2. Follow DfE guidance in potential changes to targets. 3. Relationship with DfE that recognises and can respond to economic change factors.
Loss of confidence of Head Teachers / Managers of setting	<ol style="list-style-type: none"> 1. Work via Head Teacher Reference 2. Shared ownership Workshop Oct 3. Vulnerable Pupils tracker meeting 4. Matrix work between SEND Inclusion Leads and School Improvement 5. Engagement of Head on Resource Panel 6. Collaborative development of Outreach

Key Strategic Risk	Mitigation
Loss of confidence of Parent	<ol style="list-style-type: none"> 1. Use of CDC to lead collaborative working. 2. Development of comm Strat with CDC to increase senior leadership presence. 3. Development around the Phone system in EHCP linked to input via customer care team. 4. Increase parent presence in contract monitoring. 5. QA work to include parental direct contact
Impact of SEND Inspection	<ol style="list-style-type: none"> 1. Awareness of multiagency role and ownership 2. Action plan and SEND strategy.

In addition to the above overall risk register each workstream has its individual risk register summary.

Governance

Delivery of the PSV programme is reported to a monthly project Safety Valve Board, which is chaired by the Executive Director Children's Service and held in consultation with the Department for Education.

Governance of the plan has been strengthened by the inclusion of the following:

Programme Strategic Lead (PSV Expert)	1.0	To end 31/03/2028
Programme Manager 0.5 FTE	0.5	To end 31/03/2028
Project Manager 1 FTE	1.0	To end 31/03/2029
Project Support 1 FTE	1.0	To end 31/03/2029

Appendix 3

Briefing Note – Climate Change

As a council we appreciate the risk that climate change poses to the health and wellbeing of our communities and for this reason we declared a climate emergency and set a target to be carbon neutral by 2038. In addition, Our Let's Do It Strategy commits to putting "carbon neutrality at the heart of new ways of living and working in a covid secure society".

We acknowledge the huge behaviour change challenge we face to meet our carbon neutral target. We know that we need to install up to 75,000 heat pumps, retrofit insulation in 76,000 houses, install solar panels on most of our roofs in the borough and provide the necessary electric vehicle charging infrastructure for 90,000 local EVs. This scale of change will need Government along with all local stakeholders to work together with an adequate financial resource which is estimated to be £3.5billion. When facing this level of change and investment there are naturally many significant risks that need to be allowed for.

The main risks we face in meeting our target can be placed into the following main categories which will be addressed in the text that follows:

- **Insufficient Government resource/support**
- **Cost of low carbon measures e.g., Heat Pumps /Supply chain and local skillset**
- **Council officer resource and training**
- **Adaptation and resilience**
- **Heavy Vehicle solutions**

Insufficient Government resource/support

To address this issue, we will continue to work with the GMCA, TfGM and our neighbouring GM councils to seek Government funding wherever it is available to help us progress our carbon neutral agenda. Our collaborative approach develops larger ambitious city region schemes which are more likely to generate successful bids. Via the GMCA we will also feedback to the Government and their agencies the limitations of existing funding mechanisms in delivering the level of change we require. It is envisaged that this line of communication from a city region will carry some weight in shaping future government policy. Bury were also one of the first UK local authorities to have a Local Area Energy Plan developed by the Energy Systems Catapult. Energy Systems Catapult was set up to accelerate the transformation of the UK's energy system and ensure UK businesses and consumers capture the opportunities of clean growth on the way to net zero.

Energy Systems Catapult is an independent, not-for-profit centre of excellence that bridges the gap between industry, government, academia and research. They use a whole systems view of the energy sector to identify and address innovation priorities and market barriers, in order to decarbonise the energy system at the lowest cost. This information can then be used to help inform Government policy on reaching net zero. The information that ESC gathered in relation to Bury identified the extent of the challenge and the likely cost to society of reaching net zero. They have now carried out Local Area Energy Plans for all the Greater Manchester local authorities and their findings will hopefully help Government to recognise the need to significantly step up their level of intervention.

The Local Area Energy Plans also show in geographical detail where the main interventions will be required, and this highlights that there will be a significant number of lower cost properties that will require expensive retrofits. It is likely that more vulnerable members of our communities occupy these properties and therefore the Local Area Energy Plan work clearly identifies the need for targeted help in deprived areas to ensure that vulnerable members of our community can benefit from carbon neutral housing and therefore be

protected from future energy price rises. Hopefully these findings will help shape Government's approach to prioritising funding.

Our deep dive report outlined that Government regeneration funding often has a "value for money" criteria which can prevent progress due to the additional costs involved in installing net zero measures such as heat pumps. Most regeneration projects take place on brownfield sites which already carry additional cost relating to land remediation and therefore the cost of net zero measures can become impossible within the "value for money" criteria. With our Radcliffe development we have been able to install heat pumps in the new Radcliffe Hub using the Levelling Up funding. However nearby residential schemes are restricted by the "value for money" criteria which means they will be built with gas boilers. This situation is clearly not acceptable and therefore we will feedback to the funding agency that the funding mechanisms are not consistent with our carbon neutral targets and are also not helping to achieve Government net zero targets.

Cost of low carbon measures e.g., Heat Pumps /Supply chain and local skillset

The current cost of heat pumps is determined by market forces, and this is currently quite expensive as a result of general low demand and the domination of gas boilers as the main accepted means of heating in this country. To help address this we can attempt to stimulate the local market by promoting and facilitating the installation of heat pumps wherever we can. By generating demand, we can hopefully increase supply which should lower costs. At this stage we are working with GMCA to attempt to stimulate the market by continuing to look for opportunities to install heat pumps wherever they are feasible and where the business cases work. As mentioned, our new Radcliffe Hub will be completely heated by air source heat pumps, and we hope to use the same heating technology in Prestwich and the other town centre regeneration projects where we can.

"Your Home Better" is a GMCA scheme to help the "able to pay" members of our communities to install low carbon measure including heat pumps. It is anticipated that this scheme will also make heat pumps more accessible and hopefully start to drive costs down.

By stimulating and increasing demand as described above, Bury Council can stimulate and develop local supply chains which will also lead to the development of the necessary skillsets amongst our local workforce. This should ensure that Bury is able to make the most of the economic opportunities that a growing green economy presents.

Council officer resource and training

We need to ensure we have a stable officer resource to push this agenda and to ensure it receives the required level of engagement across the council. Our existing financial circumstances have required that we currently employ only 2 FTE Climate Action related officers on temporary contracts. We accept that this both limits the level of progress we can achieve and presents risks in relation to the retention of officers. We will aim to make these posts permanent whenever the financial situation allows. In the meantime, we will be seeking Government grants for capital projects that allow us to claim money for officer's resource. This should help us to fund the existing temporary roles for a longer term.

It is vital that all staff understand the importance of reducing our carbon emissions. As a result, a 1 hour online Carbon literacy course has been made mandatory for council employees and 750 staff have completed it so far. This year we are looking to get more staff fully trained in carbon literacy across the council and partner organisations to increase awareness.

Adaptation and Resilience

We completely acknowledge that we are already on track for a certain level of climate change which will mean our communities will be subject to more extremes of hot and cold weather and more extreme weather events. We have some existing plans that would help to address this such as the Emergency Plan and we have some systems in place for tackling extreme heat and cold. However, we know we need to systematically address all the risks that the projected change in climate will bring over the next 10 – 20 years. This year our Climate Action Board has identified this area of work as a priority and the Climate Action Team are setting up a working group to produce and publish an adaptation and resilience plan in 2024.

Heavy Vehicle Solutions

As a council we have commenced the decarbonisation of our fleet by replacing some of our diesel vans with equivalent electric vehicles. We have also installed the relevant charging infrastructure at both Bradley Fold Depot and our Bury Cemetery facilities. Unfortunately, zero carbon solutions for larger vehicles such as refuse collection vehicles are still prohibitively expensive.

The potential for hydrogen as a suitable fuel is likely to be an option longer term but currently there are no viable zero carbon options for the heavier vehicles in our fleet. Over the next few years as demand increases it is likely that financially viable carbon neutral options will be developed, and we will be able to take advantage of these as current leases expire. However, in the meantime we will continue to replace our light goods vehicles with electric equivalents and keep a close eye on the market for developments in zero carbon heavier vehicles. Also, where suitable funding is made available, we will seek to operate pilot trials of heavy vehicles that could meet our needs.