

Impact of Covid 19 on Operational Risks @ April 2020

Appendix C



Ambition 1
High aspirations



Ambition 2
Healthy lives



Ambition 3
Skills



Ambition 4
High quality
education



Ambition 5
Safe
communities



Ambition 6
Excellent and
affordable public
transport



Ambition 7
Housing to meet
needs



Ambition 8
Community life,
leisure centres
& entertainment



Ambition 9
Location of choice
for business and
growth



Ambition 10
Reputation
for getting
things done

Directorate and Risk / Opportunity Area		Covid 19 Impact on Risk Comments
Neighbourhoods		
<ul style="list-style-type: none"> Loss of income <ul style="list-style-type: none"> - Housing rental income - From the asset estate (incl leased out units, markets, parks, museums<etc.) - From parking - From planning 		<p>As a result of the economic downturn the income levels are likely to decline significantly as a result of increased unemployment and debt impacting on the housing and communities budget as well as impacting on finances available for capital programmes and regeneration schemes.</p> <p>The lockdown has had a negative impact on the income generated through parking. In addition, if more people choose to work from home going forward the impact will be greater.</p>
<ul style="list-style-type: none"> Increased costs and increased demand <ul style="list-style-type: none"> - Homelessness - Welfare support 		<p>The situation at present is stable, with reduced presentations given the mitigations and support put in place in getting people accommodated during lockdown and the restriction on evictions announced by the government. There is however, a heightened risk that as a result of the economic downturn, unemployment increase and debt increases once eviction restrictions are lifted, this could present the borough with an increased risk.</p>
<ul style="list-style-type: none"> Capacity to meet demand <ul style="list-style-type: none"> - Waste Management - Emergency Repairs - Welfare support 		<p>The current performance of the Contractor/ Serco to provide the weekly bin collections is being impacted due to the capacity of employees available for work. This may require alternative mitigations to be considered around the frequency of bin collections whilst the threat of Covid 19 persists.</p> <p>A backlog of repairs work is accumulating as a result of the lockdown, social distancing measures and self isolation which is beginning to create resourcing issues given the age profile of the workforce in this service.</p> <p>Increased demand for welfare support and services will be inevitable due to increased unemployment and debt challenges.</p>

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<ul style="list-style-type: none"> • Climate change • Brexit planning (included here as the Brexit lead is Alison Knight) 	<p>Whilst there is a focus on the emergency response and recovery, climate change may not be perceived as important and will therefore require mitigations to be put in place to ensure that this is also prioritised. Likewise, the deadline for Brexit is also fast approaching and the uncertainties this brings, coupled with the economic impact of the emergency on the regional and local economy could be profound. Therefore actions to plan for Brexit will also need to be prioritised as part of the recovery plan.</p> <p>Whilst there has been a positive impact on air pollution during lockdown with traffic management, this may reverse especially if trust in the use of public transport continues to diminish as a result of fears of Covid 19 infection and thus encourage the use of private transport. A positive however maybe that more people begin to work from home and more regularly, having experienced it over the last few weeks.</p> <p>Likewise, the deadline for Brexit is also fast approaching and the uncertainties this brings, coupled with the economic impact of the emergency on the regional and local economy could be profound. Therefore actions to plan for Brexit will also need to be prioritised as part of the recovery plan.</p>
<ul style="list-style-type: none"> • Highways maintenance 	<p>Given the expected reductions in income, resources available for highways maintenance will diminish which if not mitigated will significantly impact the council's finances further as higher levels of claims for compensation will be experienced, as well as reputational impact on the council.</p>
<ul style="list-style-type: none"> • Statutory compliance and reopening of closed buildings 	<p>With the lockdown in place there have been reductions in the statutory compliance inspections (e.g. gas safety, asbestos, engineering, legionella, etc) which has meant that assets and buildings may not be fit for use until the backlog of inspections is dealt with.</p> <p>In addition, the reopening of council buildings whilst there remains a threat of Covid 19 will need to be further considered and mitigations put in place to ensure appropriate arrangements are in place re hygiene facilities, isolation and social distancing. Mitigations will need to ensure that the council plans properly, and assesses risk suitably and sufficiently, when staff return to the workplace – at which point issues around workplace design, methods of working, office hygiene and other environmental factors will all need to be reviewed carefully.</p>
<ul style="list-style-type: none"> • Work Place Vision 	<p>As a result of the remote working arrangements during the emergency response, most employees have been smart working which may enable the WPV programme to be accelerated.</p>
Adult Social Care, Health and Wellbeing	

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<ul style="list-style-type: none"> • Capacity to meet demand <ul style="list-style-type: none"> - Food safety checks - Liberty protection safeguards/ deprivation of liberty assessments - Public health 	<p>As a result of the easements in respect of these areas, there will be a backlog in assessments and inspections which will need to be prioritised given the pressure on available resources when the easements are lifted.</p> <p>Continuity of other Public Health services is being managed by working with providers of services to ensure services are still being conducted safely.</p> <p>A seven day health protection advice service is being maintained through the staff rota in place to ensure continuity. However, demand is increasing and there is a capacity risk with staff being ill. Green at moment but may go amber if outbreaks go up.</p>
<ul style="list-style-type: none"> • Fly tipping 	<p>As a result of the closure of civil amenities, there has been increased reports of fly tipping due to the lockdown (although reported incidents are less than this time last year). Mitigations are now being considered about if and how to safely open civil amenities.</p>
<ul style="list-style-type: none"> • Loss of income <ul style="list-style-type: none"> - Licensing 	<p>As a result of the economic downturn and lockdown, income generated from licensing has and is forecast to decline</p>
Children Services	
<ul style="list-style-type: none"> • Resources to meet increase in demand <ul style="list-style-type: none"> - Children's social care - School appeals - Childrens centres and welfare support - Home schooling - Bereavement support and mental health services - Transitioning between schools - SEND transport costs 	<p>There is an expectation that once schools open, there will be a surge in safeguarding and exploitation referrals with a strain on resources and capacity to deal with the surge. Planning to mitigate this has already commenced with lists of vulnerable children being regularly updated and daily safe and well checks being carried out now.</p> <p>Due to the lockdown, the government has introduced regulations on how school appeals should be dealt with and has provided admission authorities more flexibility to manage appeals in a way that best suits local circumstances and ensures families appealing an admission decision this year are supported and are not disadvantaged by the measures in place to protect public health.</p> <p>If social distancing measures are continued when schools reopen then the SEN transport vehicles will be required to carry less pupils at a time to schools. This could significantly increase transport costs further above the projected overspend in this area.</p>
<ul style="list-style-type: none"> • Loss of income <ul style="list-style-type: none"> - Educational residential centres - Youth service - Children centre buildings 	<p>This risk has materialised as a result of the schools being closed.</p> <p>The youth service and children's centre loss if income results from the inability to generate income from hiring as they are closed</p>

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<ul style="list-style-type: none"> Reopening of schools 	<p>Despite regular discussions with the Department for Education there is no indication yet of when and how schools will open and what plans and mitigations will need to be put in place to ensure social distancing measures are maintained.</p>
Resources	
<ul style="list-style-type: none"> Fraud and corruption <ul style="list-style-type: none"> - Weaker control environment during emergency response - Business support grants - Counterfeit PPE - Free school meal vouchers - Cybercrime and remote working - Benefit fraud 	<p>There is clear evidence that during an emergency situation such as this and also during times of an economic downturn, the risk of fraud and corruption is heightened.</p> <p>The council has put in place additional mitigations to prevent and detect fraud in key areas including:</p> <ul style="list-style-type: none"> - regular communications to employees as well as residents about cyber crime and also scammers - internal audit procedures on use of petty cash during the emergency - checks carried out on Spotlight, a software tool provided by Cabinet Office to validate checks against applications for business support grants
<ul style="list-style-type: none"> Loss of income <ul style="list-style-type: none"> - Council tax, housing benefit and business rate arrears - Increase in bad debts - Increased costs of council tax reduction scheme/reduced income - Increased costs of local welfare Provision scheme - Corporate services provided to clients including schools, WMFS, SLT, SIPs, SCT, etc 	<p>As above, due to the economic downturn and increased levels of unemployment, it is forecast that level of arrears will increase. These are being closely monitored and will be reported to leadership team on a regular basis from May onwards, once we have an indication of the impact for the month of April. As an example of the potential scale of reduction that the council could face, in 2019/20 the council collected £10m and £8m in council tax and business rate enforcement activity, which is currently not taking place as a result of Covid 19.</p> <p>In addition to this, as residents' incomes are reducing, the council is experiencing increased applications for council tax reductions, which in turn means less income for the council. This is being tracked weekly by the Revenues and Benefits team.</p> <p>As a result of the lockdown services to external clients have been halted in a number of cases. Mitigations have been put in place where possible through remote working.</p>

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<ul style="list-style-type: none"> • Capacity to meet increased demand <ul style="list-style-type: none"> - Legal services for rent arrears, debt, children's services, etc - Mortuary provision 	<p>As a result of the arrears noted above and the likelihood of increased numbers of children coming into the care system (as noted in appendix B), there will be a demand on legal resources and capacity to deal with these matters.</p> <p>In terms of the increased deaths, this risk has materialised and mitigations have been put in place with the provision of a temporary mortuary and 24/7 operation if required.</p>
<ul style="list-style-type: none"> • Transformation Modernisation Programme 	<p>As noted in risk 21 of appendix B, the transformation modernisation programme plan has been reviewed and reprioritised due to the emergency. An element of the programme that could be delayed is the full roll out of Windows 10, due to supply being sourced from China.</p>
<ul style="list-style-type: none"> • 2019/20 accounts 	<p>The planned process for the accounts closedown and approval of the accounts by external audit have encountered delays as a result of schools being closed and the council's emergency response taking priority. Mitigations have been put in place as the government has announced new extended deadlines by which draft and final accounts need to be published. The preparation of the accounts including the annual governance statement however, will also need to factor in the effect of the emergency on the council's revised governance arrangements since March, the impact of the economic downturn on asset valuations, recovery of debt and the ability of the council to be continue as a going concern.</p>

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<ul style="list-style-type: none"> • Claims for compensation against the council and Judicial Review <ul style="list-style-type: none"> - Access to education by children from poorer families - Public access to the agenda for Planning Committee - Disrepairs - Licence fees - Covid 19 transmission 	<p>The Council is aware that a charity organisation has indicated that they intend to take legal action against Council's across England over access to education by children from poorer families who do not have devices or connectivity at home. It is likely that an action against the London Borough of Southwark will be the test case. Since this became public knowledge, the Government has set out its plans to make laptops and 4G routers available for certain children in specific circumstances.</p> <p>Democratic Services are currently in the process of ensuring that the new regulations are followed and standing orders are amended accordingly.</p> <p>Section 82 claims where the tenant through their solicitor is alleging disrepair that is prejudicial to their health and is a nuisance. They give the Council the statutory 21 day notice to repair or remove the nuisance and if the work is not done then they can issue proceedings in the magistrates court. The repairs team are reluctant to do works due to social distancing etc so the Council is at risk of paying legal costs when proceedings are issued. There have been about 2-3 cases in the last 2-3 months.</p> <p>Complaints from Taxi Drivers and Publicans about why they are paying licence fees for licences for which they are deriving no economic benefit. The legislation has not been amended in relation to this and therefore the council has not waived such fees. The risk is therefore more to reputation.</p> <p>Claims may be made whereby residents receiving care allege that they have contracted Covid 19 from care workers or that employees allege they have contracted it from the workplace. In the current climate, this issue most likely to be relevant will be management decisions concerning the provision of suitable PPE and/or allowing staff to work in conditions in which they (or residents in their facility) were exposed to the virus without such PPE (or relevant training) being supplied.</p> <p>As an employer we must ensure that we approach the risk associated with COVID 19 in the same way that we would any other risk to the health and wellbeing of employees, taking sensible steps to discharge our duty of care and to document our assessment and adopted policies.</p> <p>Health and safety guidance has been updated on PPE, working from home, use of display screen equipment, reporting to the HSE together with the provision of specialist manual handling training to support the deployment of employees into areas such as adult social care. Continual review, update and documenting of risk assessments and risk mitigations as circumstances change will be necessary as circumstances change. Being able to demonstrate that the council has considered the risks carefully and taken reasonable steps to mitigate these risks will be critical. In the absence of evidence of these risk assessments and mitigations, the council would be in breach of its duty as an employer and could be exposed to claims being made against it.</p>

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<ul style="list-style-type: none"> • Temporary mortuary provision 	<p>The council has taken the lead on ensuring provision for additional mortuary capacity for increased deaths is available across the black country and Birmingham and Coventry. As a result, in order to ensure the appropriate capacity to run the facility, it has entered into an agreement with Kenyon and also employed suitably skilled agency staff to work in the mortuary. The facility became operational in mid April.</p> <p>There is a risk that the council is exposed to additional risk from public liability and employer liability claims being made should there be any negligence in the areas of work where the council or Kenyon is leading. Mitigations have been explored to procure additional insurance cover but this is proving difficult as insurers do not have an appetite for this risk. Other mitigations are also being progressed including transfer of risk additional risk to Kenyon (by increasing the indemnity they provide) as well as any residual risk exposure being shared with the other councils.</p>