AUDIT AND RISK COMMITTEE

27 September 2022

STRATEGIC RISK REGISTER

Report of the Strategic Director for Resources

Strategic Aim:	All	
Exempt Information		Yes, Appendix C of this report contains exempt information and is not for publication in accordance with Part 1 of Schedule 12A of the Local Government Act 1972.
Cabinet Member(s) Responsible:		Cllr K Payne, Portfolio Holder for Finance, Governance and Performance, Change and Transformation
Contact Officer(s):	Saverio Della Rocca, Strategic Director for Resources (s.151 Officer)	01572 758159 sdrocca@rutland.gov.uk
Ward Councillors	N/A	

DECISION RECOMMENDATIONS
That the Committee: 1) Notes the content of the updated Strategic Risk Register (Appendices A and B) and the actions underway to address the risks.

1   PURPOSE OF THE REPORT

1.1   To present the Strategic Risk Register to the Committee and provide assurance that strategic risks are being adequately managed.

2   STRATEGIC RISK REGISTER

2.1   The Risk Register has been reviewed and updated. The dashboard at Appendix A summarises the key movements since it was last presented at Audit and Risk in April 2022. The full register is included in Appendix B. The Risk Register was taken to Cabinet in April alongside the new Risk Management Policy and was approved. Cabinet has received the Risk Register and Portfolio Holders are sighted on issues and developments.

2.2   The risk identification exercise for Directorate risk registers was facilitated by Zurich Municipal. Draft registers were put in place but, as reported in April, needed further work. Zurich are coming back to help us refresh the registers and do further work is required in terms of controls and actions. Internal audit work will be targeted on looking into how specific risks are being managed.

2.3   The Director for Resource has previously advised that he would give an update on Cyber Security arrangements. This information is included in the Exempt Appendix C. The Head of IT and Customer Services will be available at the meeting to discuss any issues.

3   CONSULTATION

3.1   None required.

4   ALTERNATIVE OPTIONS

4.1   This report provides an opportunity for the Audit and Risk Committee to review the Register therefore there are no alternative options for this recommendation.

5   FINANCIAL IMPLICATIONS

5.1   There are no direct financial implications arising from this report but the Committee should note that the failure to manage risks effectively could have a financial impact on the Council.

5.2   The Committee should also note that addressing risk issues may require investment of resources.

6   LEGAL AND GOVERNANCE CONSIDERATIONS

6.1   As set out in the terms of reference within the constitution, this Committee has responsibility to provide assurance of the adequacy of the Risk Management framework and control environment.

6.2   There are no legal implications arising from this report.

7   DATA PROTECTION IMPLICATIONS

7.1   A Data Protection Impact Assessments (DPIA) has not been completed because there are no service, policy or organisational changes being proposed.

8   EQUALITY IMPACT ASSESSMENT

8.1   An Equality Impact Assessment (EqIA) has not been completed because there are no service, policy or organisational changes being proposed.

9   COMMUNITY SAFETY IMPLICATIONS

9.1   There are no community safety implications.

10   HEALTH AND WELLBEING IMPLICATIONS

10.1   There are no health and wellbeing implications.

11   CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

11.1   The Committee's role is to monitor the effective development and operation of risk management and corporate governance. The Risk Register sets out the strategic risks facing the Council and demonstrates how they are being managed.

12   BACKGROUND PAPERS

12.1   There are no additional background papers.

13   APPENDICES

13.1   Appendix A: Risk Dashboard

13.2   Appendix B: Strategic Risk Register

13.3   Exempt Appendix C: Cyber Security arrangements

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Appendix A. Risk Dashboard

Number of Risks **10**	• No new risks have been added since the last review. • Risk 77 - Changes to LLR Health system may reduce our ability to shape services to meet needs – has been deleted now that the Rutland Health Plan in partnership with Stakeholders has been signed off • The score for Risk 73 which is about corporate capacity has been increased. Vacancy levels continue to be around 30 and there is concern in particular around care workers.
Risks added since last review **0**	
Risks removed since last review **1**	
Number of open actions **15**	• 3 new actions have been added with 2 relating to Special Educational Needs. • 8 actions have been closed covering Risk 4, Risk 5, Risk 73, Risk 76 and Risk 77. • Updates and progress are provided in Appendix B.
Actions added since last review **3**	
Actions completed since last review **8**	

Appendix B. Strategic Risk Register

Key to symbols/terms used within the report

<u>Risk Score:</u>

Inherent Risk – the likelihood/impact of the risk without taking any controls and actions in place into consideration.
Residual Risk – the likelihood/impact of the risk taking the controls and actions RCC have put in place into consideration.

<u>Actions:</u>

All actions have a 3 letter code defined as follows:

[IMP] – An action that will improve the likelihood/impact of the risk once the action is completed.
[PRE] – A preventative action, which will not improve the risk but will prevent it from getting worse.

Risk ID: **3**	Risk Title: Failure to deliver key services should a significant business interruption occur	

Owner:
Director – Places
 	
Inherent Score:
16
 	
Residual Score:
12 ←→
 	
Date Risk Added:
September 2016
 	
Last Review Date:
September 2022
	Actions
	• **[PRE]** – Implementation of Cyber Security Resilience Action Plan
	   ○ Added – March 2022
	   ○ Further to securing additional finding (see below), action plan to be implemented by December 2022. Update scheduled for Audit and Risk in September.
	
	• **[IMP]** – Testing of BCP
	   ○ Added – March 2022
	   ○ To be arranged with Resilience Partnership pre-September 2022
	   ○ Revised – testing to be deferred pending LRF review of business continuity support
		Controls
		• A Major Incident Plan has been prepared
		• Specific recovery plans are in place and have been updated
		• Business Continuity documents have been uploaded to a secure website (Resilience Direct)
		• Contract procedure rules include the requirement for managers to consider the impact of contractor failure and mitigate the risks appropriately
		• Business Continuity arrangements audited by Internal Audit and more recently by Resilience Partnership and new plan addresses key learnings
		• Preparations completed for dealing with concurrent events

PREVIOUS ACTIONS (REMOVED OR CLOSED) None		
Comments: Now BCP plans are complete there is work to do to test the plans we have hence that new action is recorded. Progress has been slower than expected. Other work priorities and vacancies mean that testing has not yet been arranged and some changes to the Civil Contingencies means the LRF are considering support arrangements the best time for an exercise . p		

Risk ID: **4**	Risk Title: Failure to Safeguard (Children) and a child is significantly abused, hurt, or dies.	

Owner:
Director - People
 	
Inherent Score:
20
 	
Residual Score:
12 ←→
 	
Date Risk Added:
September 2016
 	
Last Review Date:
September 2022
	Actions
	
	• **[IMP] NEW** Implement the Independent Review of Social Care recommendations once Government response received (expected December 22)
	   o Added Sept 22
	   o Due to be completed – Jan 2024
		Controls
		
		• Processes and procedures in place to protect the most vulnerable
		• Ensuring we have sufficient competent, trained staff to safeguard children and there is no unallocated work
		• Clear practice standards in place so staff know what is expected of them and effective training to allow them to deliver high quality practice.
		• Children's services improvement plan in place and subject to monthly scrutiny by the Improvement Board.
		• High quality management oversight of all Children's Social Care practice.
		• Comprehensive Performance Management and Quality Assurance framework in place.
		• **NEW:** Sign of Safety model in place

PREVIOUS ACTIONS (REMOVED OR CLOSED) **CLOSED** – Signs of Safety model went live in May		
Comments: The Independent Review of Social Care recommendations can be found on the link below. The-independent-review-of-childrens-social-care-Final-report.pdf (childrenssocialcare.independent-review.uk) We understand that our next focused OFSTED visit will take place in Spring 2023.		

Risk ID: **5**	Risk Title: Failure to Safeguard (Adults) and an adult is significantly abused, badly hurt or dies.	

Owner:
Director - People
 	
Inherent Score:
15
 	
Residual Score:
9 ⬅➡
 	
Date Risk Added:
 	
September 2016
 	
Last Review Date:
 	
September 2022
	Actions
	
	• **[PRE]** Preparing for Care Quality Commission Inspection of Local Authority Social Care. Completion of Self-Assessment tool when available.
	    ◦ Added: 21 March 2022
	    ◦ Target date: 31 March 2022
	    ◦ Revised date 31 March 2023 (when it comes into force). Preparation is ongoing and as from October a CQC readiness team will oversee action.
	
	• **[PRE]** Implement changes to Liberty Protection Safeguards (issued in March) for implementation in 2023
	    ◦ Added: 21 March 2022
	    ◦ Target date: End September 2022
	    ◦ Revised date September 2023. Awaiting guidance.
		Controls
		
		• Processes and procedures in place to protect the most vulnerable.
		• Scrutiny and overview from the Safeguarding Boards.
		• Monthly performance and financial monitoring by senior offices and updates to Cabinet.
		• High quality, timely information contained within case files.
		• Clear practice standards in place so staff know what is expected of them.
		• Management oversight recorded on file alongside regular supervision.
		• Effective training of staff.
		• Comprehensive Performance Management and Quality Assurance framework in place.
		• Annual audits now in place on an ongoing basis to ensure quality and effectiveness of service is maintained.
		• Workforce changes to provide a complex lives worker, across teams, providing further resilience and professionalism to safeguarding
		• Extra social worker added to P&S to support increased safeguarding referrals/duty work, on a fixed one-year contract

Risk ID: **5**	Risk Title: Failure to Safeguard (Adults) and an adult is significantly abused, badly hurt or dies.

PREVIOUS ACTIONS (REMOVED OR CLOSED)

CLOSED - Refresh LLR Safeguarding Adults Board Business Plan – completed (available on Leicestershire Adult Safeguarding Board website)

Comments: *The Care Act 2014 (Section 42) requires that each local authority must make enquiries, or cause others to do so, if it believes an adult is experiencing, or is at risk of, abuse or neglect. An enquiry should establish whether any action needs to be taken to prevent or stop abuse or neglect and if so, by whom.

There will be Care Quality Commission (CQC) oversight of Local Authorities' commissioning of adult social care, which will be introduced through the Health and Care Bill. This will be applied from 1 April 2023.

The Liberty Protection Safeguards will provide protection for people aged 16 and above who are or who need to be deprived of their liberty in order to enable their care or treatment and lack the mental capacity to consent to their arrangements. The Liberty Protection Safeguards were introduced in the Mental Capacity (Amendment) Act 2019 and will replace the Deprivation of Liberty Safeguards (DoLS) system.

Risk ID: **76**	Risk Title: Failure to address increasing SEND costs and provide an inclusive learning offer	

Owner:
Director - People
 	
Inherent Score:
15
 	
Residual Score:
12 ⬅➡
 	
Date Risk Added:
October 2019
 	
Last Review Date:
September 2022
	Actions
	• **[IMP] NEW:** Preparation for Delivering Better Value programme to be completed for January 2023.
	    o Added September 2022
	    o Due for completion June 2023
	    o Funding received to support preparation
	
	• **[IMP] NEW:** Development of new early years pathway for those with additional needs
	    o Added September2022
	    o Due for completion June 2024
	    o Consultation with early years sector underway
		Controls
		• SEND recovery plan in place and actioned.
		• Monitoring by officers – regular scrutiny of performance data, finance and outcomes.
		• SEND Programme Board scrutinises progress of SEND recovery plan.
		• Continue to expand our In-County special education options (UCC provision is now open) for children with SEND so more children are educated closer to home.
		• Support and enable our Early Years Settings to meet the needs of all children and families so all Rutland families have access to early education which meets identified needs.
		• Inclusion partnerships and mainstream plus provision in place

PREVIOUS ACTIONS (REMOVED OR CLOSED)

CLOSED: Primary inclusion partnership and secondary school model of inclusion partnership are now in place. This gives schools access to additional specialist support and training for those with SEN.

CLOSED: New secondary mainstream plus provision now in place (10 places targeted at children with additional needs without an EHCP).

Comments: The increased demand and rising costs for supporting children with SEND is still a national issue and the Department for Education is completing a Green Paper on SEN.
The Council is joining the Delivering Better Value in SEND programme. The programme provides dedicated support and funding to help local authorities with substantial, but less severe, deficit issues to reform their high needs systems; we fit this profile. The programme will see the Department provide project management and change management capacity, alongside SEND financial

Risk ID: **76**	Risk Title: Failure to address increasing SEND costs and provide an inclusive learning offer
and practice advisers, to support Rutland in engaging with its key stakeholders and conduct a comprehensive diagnostic process to identify the underlying cost drivers of our high needs system and potential reforms to manage/mitigate these cost drivers more effectively. We will be working with the programme to develop our own action plan.	

Risk ID: **7**	Risk Title: Failure to put in place plans to support growth with appropriate infrastructure	

Owner:
Director - Places
 	
Inherent Score:
12
 	
Residual Score:
8 ←→
 	
Date Risk Added:
November 2016
 	
Last Review Date:
September 2022
	Actions
	
	• **[IMP]** New IDP to be developed alongside new Local Plan
	    o Added October 2021
	    o Due for completion December 2024
	    o Update – working group is overseeing all Local Plan work
	
	• **[IMP]** Governance framework for CIL spending to be developed.
	    o Added June 21
	    o Due for completion December 2021
	    o Update – Governance framework to be presented in November 2022
	
	• **[IMP]** Infrastructure priorities to be agreed for spending
	    o Added October 2021
	    o Due for completion March 2022
	    o Revised – Revised December 2024 – intention is to go create a 10 year capital plan which goes beyond infrastructure for development purposes but also whatever else Members may want to achieve. We expect to align this to the IDP work noted above.
	    o Update: Interim position to be agreed whilst longer term work is progressed. Report expected in November to confirm priorities.
		Controls
		
		• Existing plan in place – Infrastructure Delivery Plan
		• Infrastructure requirements identified linked to CIL.
		• Key infrastructure requirements are monitored on a regular basis e.g. School Places.
		• Specific projects in place to meet specific need including;
		    o Digital Rutland – Broadband.
		    o OEP – Employment/business growth.
		    o Schools – expansion of Catmose planned
		• Balances of s106 and CIL being held until used
		• Infrastructure funding statement published annually in December

PREVIOUS ACTIONS (REMOVED OR CLOSED)
None
Comments: Awaiting results of Levelling up Bid (with Melton) for c£23m.

Risk ID: **78**	Risk Title: Failure to achieve expectations of customers across key service areas.	

Owner:
Leadership Team
 	
Inherent Score:
6
 	
Residual Score:
4 ←→
 	
Date Risk Added:
October 2019
 	
Last Review Date:
September 2022
	Actions
	• **[IMP]** Customer Services strategy to be refreshed as part of Corporate Plan work (including review of current arrangements)
	    o Added October 2021
	    o Due for completion March 2022
	    o Revised - September 2023
	    o Transformation project to consider customer arrangements
	    o Work on service standards being progressed
		Controls
		• Customer KPIs in place across key service areas.
		• External feedback in areas like Better Care Fund/Social Care.
		• Customer Service Standards in place.
		• Complaints, compliments and comments recorded and analysed.
		• Access to Council services available through various channels.
		• Website team in place and new website planned for December.
		• MyAccount is now launched

PREVIOUS ACTIONS (REMOVED OR CLOSED) None		
Comments: New arrangements for CST were implemented in February. The use of MyAccount continues to be well received with over 3,500 registered users. Small initiatives being undertaken pending Transformation work.		

Risk ID: **10**	Risk Title: Failure to protect the health and safety of employees and members of the public	

Owner:
Director - Places
 	
Inherent Score:
20
 	
Residual Score:
6 ←→
 	
Date Risk Added:
September 2016
 	
Last Review Date:
September 2022
	Actions
	• **[IMP]** H&S Corporate framework to be implemented
	    o Added November 2020
	    o Due for completion 31st March 2022
	    o Update: Corporate H&S Group to assess implementation status – this work is ongoing. Internal Audit doing a health check review.
		Controls
		• Joint safety committee in place that reviews internal risk reports such as RIDDOR.
		• Contract procedure rules require contract managers to take due regard of health and safety when procuring contracts.
		• Managers complete risk assessments for service activities and review annually.
		• Mandatory health and safety training for all staff
		• Rolling programme of audits ongoing.
		• Internal H&S group set up and working
		• Annual report to Council on Health and Safety

PREVIOUS ACTIONS (REMOVED OR CLOSED) None		
Comments: H&S framework includes various aspects such as training, performance reporting, risk assessments, display screen equipment (DSE) assessments. Various elements have been completed such as DSE assessments, reporting to Joint Safety Committee. Internal Audit undertook a review of H&S framework (Satisfactory opinion).		

Risk ID: **73**	Risk Title: There is a risk we cannot deliver key/new priorities due to a lack of resources caused by retention/recruitment issues, budget or too big a corporate workload (including additional requirements from Government).	
Owner: Leadership Team Inherent Score: 20 ▲ Residual Score: 18 ▲ Date Risk Added: September 2019 Last Review Date: September 2022	Actions	Controls • Specific recruitment plans in place. • Provision for supplements in place. • Use of external agencies as approved by SMT • Applicant Tracking System in use, allowing Human Resources to manage the recruitment process better. • Awareness of where there are issues • Review of Retention and Recruitment completed by HR • Business Continuity arrangements • Request for Resources from Cabinet/Council • Using funding received to bring in support

PREVIOUS ACTIONS (CLOSED OR REMOVED)

CLOSED - Consideration to be given for Corporate mechanism/dashboard for understanding capacity - details will be included in the Corporate performance report

CLOSED - Project teams to consider Resource needs for upcoming projects and pressures (NB: new burdens funding could be received) for financial outturn – requests were included in Outturn report but was reference was made to further requests potentially being necessary.

CLOSED - Corporate strategy and service commitments to be tested for deliverability and workload issues – this has been as far as possible

Comments:

The Council is continuing to experience resource pressures with on average 30 vacancies at any time. With additional funding, support has been secured from external firms for some projects. But we are still experiencing challenges in bringing in extra support. The position is fluid.

There is a national shortage of health and care workers at all levels and this is particularly acute in care settings. This is impacting local services e.g., both Council and private sector have gaps resulting in care packages being handed back and care providers stopping their contracts with us. We are working with HR to try and be creative, make roles as attractive as possible but we are not confident that this will solve the problem.

Progress on the implementation of projects and performance levels including any potential impact on delivery times arising from staffing issues will be shared in the Performance Report.

Risk ID: **74**	Risk Title: There is a risk that the Council is not financially stable in the medium term (as evidenced by the gap in MTFP)	

Owner:
Director - Resources
 	
Inherent Score:
24
 	
Residual Score:
20 ←→
 	
Date Risk Added:
September 2019
 	
Last Review Date:
September 2022
	Actions
	• **[IMP]** Agree financial objectives and priorities and implications as part of budget setting.
	   ○ Added October 2021
	   ○ Due for completion – February 2022
	   ○ Update - financial objectives re dates for reducing deficits need to be revisited in light of the impact of cost of living crisis. Cabinet paper due in October 2022.
	
	• **[PRE]** Agree plan for Budget Savings (including a decision to proceed re Transformation) including how it can be resourced.
	   ○ Added March 2022
	   ○ Due for completion – End Autumn 2022
	   ○ Update – this is work in progress and goes beyond savings programme in light of change in context. Budget Strategy needed for Autumn. Cabinet paper due in October 2022.
		Controls
		• Medium Term Financial Plan (MTFP) in place
		• Members adhering to minimum General Fund balances in budget setting
		• Members understand the need to raise Council Tax
		• All increases in budget scrutinised to ensure they are legitimate.
		• Lobbying for additional funding ongoing including meeting with Minister and MP
		• Various controls strengthened in light of action opposite (e.g. review of recruitment, agency staff etc)
		• Strong management of the ongoing Revenue budget
		• Ongoing project work to assess financial impact of reforms

PREVIOUS ACTIONS (CLOSED OR REMOVED) None		

Risk ID: **74**	Risk Title: There is a risk that the Council is not financially stable in the medium term (as evidenced by the gap in MTFP)
Comments: A detailed report on the financial position was taken at Outturn where the MTFP was updated. There are further updates expected before budget setting. Revisions are expected in areas like investment income, costs (inflationary pressures), contract extensions and updates of the costs of implementing Fair Funding for social care providers and the cost of the care cap.	

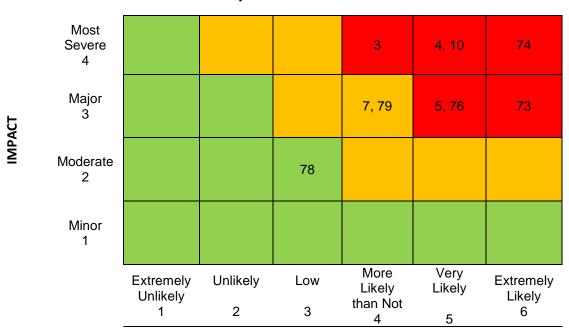| Risk ID: **79**	Risk Title: Risk that the Council does not have procurement and commissioning capacity and capability to secure the best possible financial and other outcomes	

Owner:
Director - People
 	
Inherent Score:
12
 	
Residual Score:
8 ←→
 	
Date Risk Added:
January 2021
 	
Last Review Date:
September 2022
	Actions
	• **[IMP]** Review of internal arrangements in medium term
	    o Added: January 2021
	    o Completion date: No date set (focus for now on individual procurement exercises)
	    o Update: This is now linked to the Social Care end to end reviews so expecting some options for end of March.
	    o UPDATE – On Hold linked to Transformation and Adult Social Care charging reforms (see update below)
		Controls
		• Council has access and support from Welland Procurement
		• Commissioning team in place covering Peoples
		• Other external support is being brought in to supplement in house resource on key procurements e.g. waste management
		• External reviews of commissioning have indicated the Council does obtain good results e.g. adult placements
		• Project Teams are in place with all key procurement activity e.g. Leisure, Waste Management, Highways
		• Lessons learnt include investing in understanding needs and therefore commissioning intentions rather than the process of contracting/procurement

PREVIOUS ACTIONS (CLOSED OR REMOVED) None		
Comments: The implementation of new Adult Social Care charging reforms will have a significant impact on the work of the Commissioning Team. The specialist resourcing of individual projects has also brought into question what the Council may need from a future team and there may be opportunities to work differently which will be picked up in Transformation work.		

Inherent Risk plotted on Risk Matrix

IMPACT	Extremely Unlikely 1	Unlikely 2	Low 3	More Likely than Not 4	Very Likely 5	Extremely Likely 6
Most Severe 4				3	4, 10	74
Major 3				7, 79	5, 76	73
Moderate 2			78			
Minor 1						

Residual Risk plotted on Risk Matrix

IMPACT	Extremely Unlikely 1	Unlikely 2	Low 3	More Likely than Not 4	Very Likely 5	Extremely Likely 6
Most Severe 4			4		74, 73	
Major 3			5	76, 3,		
Moderate 2		78	10	79, 7		
Minor 1						