AUDIT AND RISK COMMITTEE

27 June 2023

STRATEGIC RISK REGISTER

Report of the Strategic Director for Resources

Strategic Aim:	All	
Exempt Information	No	
Cabinet Member(s) Responsible:	Cllr A Johnson, Portfolio Holder for Resources.	
Contact Officer(s):	Kirsty Nutton, Strategic Director for Resources (s.151 Officer)	01572 758159 KNutton@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 CONTEXT

2.1 Risk is unavoidable, and it forms an important part of life that allows us all to move forward and develop. As an organisation it can impact in many ways, whether financially, politically, on our reputation, environmentally or to our service delivery. Effective risk management optimises the balance between risk and control, providing sufficient protection from harm, without stifling the Council's development.

2.2 The Council's overriding attitude to risk is to operate in a culture of creativity and innovation, in which risks are identified in all areas of the business, are understood and proactively managed, rather than avoided. Risk management therefore needs to be at the core of the Council and our key partners. As such

the Council needs to have the structures and processes in place to ensure the risks and opportunities of daily Council activities are identified, assessed and addressed in a standard way. This will enable the Council to not only to meet the needs of the community today, but also be prepared to meet future challenges.

2.3 The Council's main aims in relation to risk management are to:

   i. Ensure that appropriate systems are in place to help identify, evaluate and make a conscious choice about how to deal with the risks that it faces

   ii. Ensure that mechanisms exist to track and report business risks on an ongoing basis

   iii. Embed risk management into the culture of the organisation in terms of how it operates and makes decisions

   iv. Adopt a systematic approach to risk management as an integral element of business planning and performance management

   v. Raise awareness of the need for risk management by all those connected with delivery of the Council's services (including partners and contractors)

3 STRATEGIC RISK REGISTER

3.1 The Risk Register has been reviewed and updated as at June 2023. The dashboard at Appendix A summarises the key movements since it was last presented at Audit and Risk in September 2022. The full register is included in Appendix B.

3.2 Directorate Risk Registers are in place and the Internal Audit work plan for the year includes completing assurance reviews for this area, as approved by this Committee 21 March 2023:

Corporate governance and counter fraud
Risk management: To provide support on maintenance of the Council's risk registers and quarterly testing on a sample of controls within the registers to inform real time assurances to the committee on the assumptions underpinning the risk scoring.

4 CONSULTATION

4.1 None required.

5 ALTERNATIVE OPTIONS

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

6 FINANCIAL IMPLICATIONS

6.1 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.

6.2   As part of the Medium-Term Financial Strategy the Council will adopt a Reserves Strategy. As part of this Strategy an assessment will be undertaken as to the possible risk exposure for the Council alongside the likelihood of occurrence. This assessment will be kept under review as the budget setting process is completed and will form part of the S151 / Chief Finance Officers 'Section 25 Robustness of Estimates' assessment on the adequacy of reserves.

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

7   LEGAL AND GOVERNANCE CONSIDERATIONS

7.1   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.

7.2   There are no legal implications arising from this report.

8   DATA PROTECTION IMPLICATIONS

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

9   EQUALITY IMPACT ASSESSMENT

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

10   COMMUNITY SAFETY IMPLICATIONS

10.1   There are no community safety implications.

11   HEALTH AND WELLBEING IMPLICATIONS

11.1   There are no health and wellbeing implications.

12   CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

12.1   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.

12.2   The Internal Audit plan includes an allocation of time throughout the year to review the controls and actions outlined in this report as part of mitigating the risks.

13   BACKGROUND PAPERS

13.1   The following are links to the relevant Risk Management papers:

- [Risk Management Policy, as agreed at Audit & Risk Committee, 5 April 2022, Item 9.](#)

- [Strategic Risk Register report, as noted at Audit & Risk Committee, 27 September 2022, Item 12.](#)

- [Internal Audit work plan, as agreed at Audit & Risk Committee, 21 March 2023, Item 9.](#)

14   APPENDICES

14.1   Appendix A: Risk Dashboard

14.2   Appendix B: Strategic Risk Register

A Large Print or Braille Version of this Report is available upon request – Contact 01572 722577

Appendix A. Risk Dashboard

Number of Risks **10**	• No new risks have been added since the last review.
Risks added since last review **0**	• The score for Risk 73 which is about corporate capacity has been reduced. Vacancy levels continue to be around 30 and there is concern in particular around care workers. However, the Council ensures relevant skills and capacity are available to deliver services via the use of temporary Agency workers whilst recruitment is undertaken, or consultants are brought in when specialist work is required. This shows that risk mitigations are being actively deployed on a timely basis.
Risks removed since last review **0**	
Number of open actions **15**	• 15 new actions have been added across the identified strategic risks
Actions added since last review **15**	• 10 actions have been closed covering Risks 3, 5, 76, 73, 74 • Updates and progress are provided in Appendix B.
Actions completed since last review **10**	

Appendix B. Strategic Risk Register

Key to symbols/terms used within the report

Risk Score:

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.

Summary of risks – *(for risk matrices see final page of this report)*

Risk ID:	Risk Title:	Inherent Risk Cat.	Residual Risk Cat.	Movement since last review
3	Failure to deliver key services should a significant business interruption occur	High	Medium	No change
4	Failure to Safeguard (Children) and a child is significantly abused, hurt, or dies.	High	Medium	No change
5	Failure to Safeguard (Adults) and an adult is significantly abused, badly hurt or dies.	High	Medium	No change
76	Failure to address increasing SEND costs and provide an inclusive learning offer	High	Medium	Reduction
7	Failure to put in place plans to support growth with appropriate infrastructure	Medium	Low	Reduction
78	Failure to achieve expectations of customers across key service areas.	Low	Low	Increase
10	Failure to protect the health and safety of employees and members of the public	High	Low	No change
73	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).	High	High	Reduction
74	There is a risk that the Council is not financially stable in the medium term (as evidenced by the gap in MTFP)	High	High	Reduction
79	Risk that the Council does not have procurement and commissioning capacity and capability to secure the best possible financial and other outcomes	Medium	Medium	No change

Actions:

All actions have a three 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: Strategic Director for Places
 	
Inherent Score:
 	
16
 	
Residual Score:
 	
12 ←→
 	
Date Risk Added: September 2016
 	
Last Review Date: June 2023
	Actions
	• **[IMP]** – Testing of Business Continuity Plans (BCPs)
	    o Added – March 2022
	    o To be arranged with Resilience Partnership pre-September 2022
	    o Revised – testing to be deferred pending LRF review of business continuity support
	    o Leadership team to review BCPs
		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
		• Periodically test the Plan through LRF based exercise

PREVIOUS ACTIONS (REMOVED OR CLOSED)
CLOSED - Cyber Security Resilience considered at Audit & Risk Committee in September 2022. Actions identified undertaken. Work undertaken now forms Business As Usual activity.

Comments:
Civil Contingencies means the LRF are considering support arrangements the best time for an exercise, with the most recent exercise undertaken in March 2023. The Corporate Leadesrship Team took part in the multi-agency exercise with feedback and learning provided to the LRF, and the Council updating the list of equipment required in a variety of incidents as well as a review and update of the information likely to be accessed.

Business continuity plans are in place for all critical services within the Council, however these require testing. A new business continuity officer is being funded and will be employed by the Resilience Partnership, recruitment is underway. The officer will be responsible for overseeing the Councils BCPs and monitoring updates. BCPs are scheduled to be reviewed twice yearly at CLT, the next session is in September 2023.

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

Owner:
Strategic Director for Children & Families
 	
Inherent Score:
 	
20
 	
Residual Score:
 	
12 ←→
 	
Date Risk Added:
September 2016
 	
Last Review Date:
June 2023
	Actions
	• **[IMP] NEW** Implement the Independent Review of Social Care recommendations once Government response received (expected December 22)
	    ○ Added Sept 22
	    ○ 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.
		• Sign of Safety model in place

PREVIOUS ACTIONS (REMOVED OR CLOSED)

Comments:
The government response to the Independent Review of Social Care can be found on the link below:
https://www.gov.uk/government/consultations/childrens-social-care-stable-homes-built-on-love
The results of the consultation and the Government's response will be published on GOV.UK September 2023.
The OFSTED focused visit took place in January 2023 with a focus on child in need and child protection practice. The resulting letter said "Social workers and their managers know their children well. Most children are safer as a result of the help they receive." The areas of social work practice to improve are:
• The robustness of management oversight so that shortfalls in visits to children and social work supervision are prevented.
• The effectiveness of the quality assurance measures in informing improvements.
• The quality of assessments. In response we have updated our development plan for children's services with a particular focus on achieving consistent good quality practice in assessments and planning and strengthened our frontline management and supervision of child in need and child protection work.

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

Owner:
Strategic Director for Adult Services & Health
 	
Inherent Score:
 	
15
 	
Residual Score:
 	
9 ←→
 	
Date Risk Added:
September 2016
 	
Last Review Date:
June 2023
	Actions
	
	- **[PRE]** Preparing for Care Quality Commission Inspection of Local Authority Social Care. Completion of Self-Assessment tool when available.
	  o Added: 21 March 2022
	  o Target date: 31 March 2022
	  o Revised date 31 March 2023 (when it comes into force).
	  o Preparation is ongoing and as from October 2022 a CQC readiness team will oversee action.
	
	- **[PRE]** Implement changes to Liberty Protection Safeguards (issued in March) for implementation in 2023
	  o Added: 21 March 2022
	  o Target date: End September 2022
	  o Revised date September 2023. Awaiting guidance.
	  o Awaiting confirmation of a revised implementation date
		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

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.

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

Owner:
Strategic Director for Children & Families
 	
Inherent Score:
 	
15
 	
Residual Score:
 	
9 ▼
 	
Date Risk Added:
October 2019
 	
Last Review Date:
June 2023
	Actions
	- **[IMP] NEW:** Delivering Better Value programme grant and implementation plan to be completed:
	  - Due for completion end of June 2023
	  - Funding received to support implementation plan – September 2023
	
	- **[IMP] :** Development of new early years pathway for those with additional needs
	  - Added September 2022
	  - Due for completion June 2024
	  - Consultation with early years sector underway
	
	- **[IMP] NEW:** Strengthen strategic partnership governance of SEND system in Rutland.
	  - Added June 2023
	  - Due for completion September 2023
		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: New secondary mainstream plus provision now in place (10 places targeted at children with additional needs without an EHCP) from September 2022.

CLOSED: Preparation for Delivering Better Value Programme and Phase 1 completed

Comments: The increased demand and rising costs for supporting children with SEND is still a national issue and the Department for Education has published its SEND/AP improvement plan:

https://www.gov.uk/government/publications/send-and-alternative-provision-improvement-plan

There is a 2 year national change programme associated with this which RCC will be fully engaged in to ensure reforms are implemented well.

The Council is also part of the Delivering Better Value in SEND programme which 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. A grant submission and implementation plan will be completed by the end of June 2023 which should lead to a £1m grant to enable us to implement the necessary changes and development to address the growth of the deficit on the high needs block.

A joint OFSTED/CQC Area SEND Inspection took place in May 2023 which was positive about the outcomes we are achieving for our children with SEN/D in Rutland. This will be published in July 2023.

[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: **7**	Risk Title: **Failure to put in place plans to support growth with appropriate infrastructure**	
Owner: Strategic Director for Places Inherent Score: **12** Residual Score: **6 ▼** Date Risk Added: November 2016 Last Review Date: June 2023	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 – 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 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 • Projects managed in accordance with the Council's project management policy •
PREVIOUS ACTIONS (REMOVED OR CLOSED) None		
Comments: The Council were successful in its bid submission for Levelling up Bid funds (jointly with Melton) for c£23m.		

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

Owner:
Leadership Team
 	
Inherent Score:
 	
6
 	
Residual Score:
 	
6 ▲
 	
Date Risk Added:
October 2019
 	
Last Review Date:
June 2023
	Actions
	• **[IMP]** Customer Services strategy to be refreshed as part of Corporate Plan work (including review of current arrangements)
	   o Updated timescale - September 2023
	   o Transformation project to consider customer arrangements
	   o Work on service standards being progressed
	
	• **[IMP]** External website continues to be used as a platform to transform the customer experience as identified in the Transformation project review.
	   o Updated timescale - September 2023
	   o Transformation project to consider customer arrangements
		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 Customer Service Team 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.

New website has been successfully launched. Inherently designed so that our customers have the best experience finding and using our services online. It is a way for residents to access information more quickly and easily, particularly from smartphones. Work continues to extract benefits from this communication channel.

[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: **10**	Risk Title: **Failure to protect the health and safety of employees and members of the public**	
Owner: Strategic Director for Places To be transferred to Strategic Director for Resources **Inherent Score:** **20** **Residual Score:** **6 ←→** **Date Risk Added:** September 2016 **Last Review Date:** June 2023	Actions • **[IMP]** H&S Corporate framework to be implemented 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).

[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: **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: **15 ▼** Date Risk Added: September 2019 Last Review Date: June 2023	Actions • **[IMP]** Refresh of salary benchmarking for Heads of Service and Director posts – Q4 of 2023/24 • **[IMP]** A model of Service Workplans to be introduced in 2023-24 as part of our financial management strategy – will assist prioritisation aligned to Corporate Strategy and workload management. • **[IMP]** Framework agreement in place with a Managed Service Provider to facilitate sourcing of Agency/interim workers where needed to cover urgent gaps/capacity. • **[IMP]** People Strategy being developed in 2023-24 to include focus on recruitment and retention – help to reduce turnover and retain capacity. • **[IMP]** Review Leadership and Management skills development to identify key skill gaps – develop programmes and initiatives to improve capability and capacity. • **[IMP]** Quarterly reporting to CLT on key workforce issues and pressures to track and monitor risks and pressures points; identify actions.	Controls • Specific recruitment plans in place. • Provision for supplements in place. • Use of external agencies/partners as approved by CLT • 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 is shared in the Performance Report.

[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: **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: Strategic Director for Resources Inherent Score: 24 Residual Score: 15 ▼ Date Risk Added: September 2019 Last Review Date: June 2023	Actions • **[IMP]** Direction of travel regarding transformational opportunities for service delivery to achieve financial sustainability to be presented to Cabinet in Summer 2023. • **[IMP]** Enhanced budget setting process based on Cash Limit allocations on which to design an affordable service over the medium-term budget setting period. Design to include: 　○ Transformational solutions 　○ Key performance indicators aligned to the Corporate Strategy 　○ Identified investment opportunities to help deliver long term financial sustainability. • **[IMP]** develop a Reserve Strategy as part of the Medium Term Financial Plan (MTFP) to provide clear indication of how reserves will be used. • **[IMP]** develop a series of Financial Health Indicators for the MTFP to provide warnings where agreed financial strategy is at risk of delivery. • **[PRE]** to manage in year financial performance managing demand, and mitigating budget pressure risks. • **[PRE]** deliver the saving initiatives identified in the MTFP. • **[PRE]** identify further saving and income generating, additional grant receipt opportunities during the year.	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 meet policy objectives and performance standards. • Lobbying for additional funding ongoing including meeting with Minister and MP • Various controls reviewed and continued where appropriate to bring actual expenditure in line with budget where overspends are forecast (e.g. review of recruitment, agency staff etc) • Robust financial performance management of the ongoing Revenue budget throughout the year • Enhanced monitoring and reporting of financial performance with management action taken and risk mitigations for emerging budget pressures • Ongoing project work to assess financial impact of future financial reforms feeding into the funding strategy and changes to service delivery where necessary • Enhanced budget setting process where service provision is designed within the affordability envelope (adoption of Cash Limits)

PREVIOUS ACTIONS (CLOSED OR REMOVED)
CLOSED - Agree financial objectives and priorities and implications as part of budget setting for the 2023/24 financial year. Cabinet recommended, and Council approved, the Financial Sustainability Strategy (FSS) in October 2022 and November 2022 respectively.
CLOSED – MTFP and FSS updated for budget updates brought about by inflationary pressures on supplies and services, contract extensions, investment income assumptions, and a delay to the Fair Funding for social care.
CLOSED – Initial transformation work for identification of opportunities completed

Comments: Regular review of this risk and the changing economic climate is incorporated into the monthly budgetary control process and reported to the Leadership Team and Cabinet on a regular basis to ensure timely management action.

[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: **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: Strategic Director for Law & Governance Inherent Score: **12** Residual Score: **8** ←→ Date Risk Added: January 2021 Last Review Date: June 2023	Actions **[IMP]** Upskill internal team capacity to support more effective commissioning, alongside Service Level Agreement with Welland Procurement Unit for tender procurement support **[IMP]** Develop tools to support the commissioning process prior to embarking on any procurements **[PRE]** Develop and implement streamlined processes for procurement to create efficiencies in process **[IMP]** Update training for all staff on commissioning support and procurement processes to enable self-serve for low value, low risk procurements	Controls - Council has access and support from Welland Procurement - Commissioning team in place covering all Directorates - 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: Actions updated and amended to reflect current position and take into account challenges identified within the Transformation workstream. The new Procurement Bill currently in Parliament will have an impact of future procurement processes, we are awaiting statutory guidance on its implementation.		

[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.*

Inherent Risk Score plotted on the Risk Matrix

Impact →			1	2	3	4	5	6
	Most Severe	4				• 3	• 4 • 10 • 73	• 74
	Major	3				• 7 • 79	• 5 • 76	
	Moderate	2			• 78			
	Minor	1						
			Extremely Unlikely	Unlikely	Low	More likely that not	Very Likely	Extremely Likely

Likelihood →

Residual Risk Score plotted on the Risk Matrix

Impact →			1	2	3	4	5	6
	Most Severe	4						
	Major	3			• 5 • 76	• 3 • 4	• 73 • 74	
	Moderate	2			• 7 • 78 • 10	• 79		
	Minor	1						
			Extremely Unlikely	Unlikely	Low	More likely that not	Very Likely	Extremely Likely

Likelihood →