

Strategic Risk Register Progress Report

Strategic Risk: Sustainability of the Council

Risk	Sub No.	Sub-Risk	% Overall Weighting	Impact / Consequences	Opportunity	Gross Risk Score			Controls and Mitigation	Nett Risk Score			New / Developing Controls	Risk Manager	CLT Risk Owner	Target Date	Corporate Priority
						I	L	GS		I	L	NS					
Sustainability of the Council	5a	Insufficient funding to deliver services.	30%	Erosion of reserves.	Income generation opportunities.	5	5	25	Downsizing of the Council to meet budget constraints.	5	2	10	Ongoing financial modelling to assess the impact of funding cuts.	Chief Accountant	Director of Resources	March 2019	Organisational Resilience
				Priority led budgeting process.					Robust reporting of recovery plans to Scrutiny Committee.								
				Increased interest rates.					Six Year Financial Sustainability Strategy in Place.				Implement robust due diligence processes for business loans.	Head of Economic Development	Director of Communication and Regeneration	June 2018	Economy
				Unplanned overspends.					Statutory requirement to balance the budget.								
				Unable to recover loan debt.					Treasury Management Panel in place.								
		Monthly financial monitoring including achievement of saving targets and collection of income.															
	5b	Insufficient central government funding for Social Care, in addition to current constraints on cash limited budgets such as withdrawal of service funding due to a loss of custom and commissioning.	70%	Council unable to balance budget.	Consider options for shared services and opportunities for flexible use of new funding streams.	5	4	20	Robust budgetary control mechanisms.	5	3	15	Participate in financial modelling exercises to challenge government assumptions and support lobbying for resource.	Heads of Service	Director of Adult Services / Director of Children's Services	March 2019	Organisational Resilience
				Council unable to meet statutory duties and deliver reforms.					Member led priority based budgeting and financial planning.				Actively participate in system transformation planning with partners.				
				The budget implication of withdrawal of service has a greater timescale than that of any contract notice.					Project groups in place where action is required on more than one level.				Heads of Services to contribute to commissioning reviews and potential service developments.	Heads of Service	Director of Adult Services / Director of Children's Services	March 2019	Organisational Resilience
				External care market becomes unsustainable					Service managers report issues to the Directors.								
				Performance information is accurate and kept up to date to ensure a comprehensive view of actual performance.													
Overall Nett Risk Score									13.5								

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Sub-Risk: Insufficient funding to deliver services (weighting 30%)		Gross Risk Score	Nett Risk Score
		25	10
<i>Risk Score in 2017/18</i>		16	12
Risk Owner: Director of Communication and Regeneration/ Director of Resources			
Existing Controls in Place:			
<ul style="list-style-type: none"> • Downsizing of the Council to meet budget constraints. • Priority led budgeting process. • Six Year Financial Sustainability Strategy in place. • Statutory requirement to balance the budget. • Treasury Management Panel in place. • Monthly financial monitoring including achievement of saving targets and collection of income. 			
Progress on new controls:			
Control	Risk Manager	Current Position	Outcomes / Results
Ongoing financial modelling to assess the impact of funding cuts. (Target Date: March 2019)	Chief Accountant	<ul style="list-style-type: none"> • A six year medium term financial sustainability is in place as is a plan until 2019/20. • Beyond 2019/20 there is considerable uncertainty due to a number of factors such as: <ul style="list-style-type: none"> - The start of a new settlement period. - End / restart of the adult social care precept - Outcome of the Fair Funding Review - Introduction of 75% business rate retention - End of ring-fencing of Public Health grant - Triennial pension revaluation - Capital Pressures - Troubled Families funding ends 	<ul style="list-style-type: none"> • Balanced budget over the medium term.

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		<ul style="list-style-type: none"> - Brexit transition to end by 1st December 2020 • Whilst it is possible to consider scenarios related to the above events more focused modelling will be requirement in advance of the settlement in November / December 2019. 	
<p>Robust reporting of recovery plans to Scrutiny Committee.</p> <p>(Target Date: March 2019)</p>	Chief Accountant	<ul style="list-style-type: none"> • The various financial assurance processes in place are set out in the Medium Term Financial Strategy and include: <ul style="list-style-type: none"> - Revenue budget report preparation - Budget consultation and scrutiny - Capital programme - Treasury Management Strategy - Statement of the Chief Finance Officer on Reserves, Robustness of the Estimates and Affordability and Prudence of Capital Investments - Final accounts and the external audit process - Budget monitoring arrangements 	<ul style="list-style-type: none"> • Balanced budget over the medium term.
<p>Implement robust due diligence processes for business loans.</p> <p>(Target Date: June 2018)</p>	Head of Economic Development	<ul style="list-style-type: none"> • An Officer Due Diligence Group is in place which is represented by officers from finance, legal and economic development. This group ensures compliance with risk management or instructs external expert advice for more complex / large loans. Any expenses incurred as part of this process are charged to the applicant. • All risks identified are either mitigated or taken into account when setting interest rates and embodied in a loan agreement which also defines levels of security required. 	<ul style="list-style-type: none"> • Increase in experience of the Officer Due Diligence Group. • Strong legal charges over security. • Robust projects being funded which will benefit the local economy.

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Sub-Risk: Insufficient central government funding for Social Care, in addition to current constraints on cash limited budgets such as withdrawal of service funding due to a loss of custom and commissioning (weighting 70%)		Gross Risk Score	Nett Risk Score
		20	15
<i>Risk Score in 2017/18</i>		20	15
Risk Owner: Director of Adult Services / Director of Children's Services			
Existing Controls in Place:			
<ul style="list-style-type: none"> • Robust budgetary control mechanisms. • Member led priority based budgeting and financial planning. • Project groups in place where action is required on more than one level. • Service Managers report issues to the Directors. • Performance information is accurate and kept up to date to ensure a comprehensive view of actual performance. 			
Progress on new controls:			
Control	Risk Manager	Current Position	Outcomes / Results
Participate in financial modelling exercises to challenge government assumptions and support lobbying for resource. (Target Date: March 2019)	Head of Services	<u>Adult Services</u> <ul style="list-style-type: none"> • The Medium Term Financial Sustainability Strategy sets out the medium term financial position for Adult Services. • CIPFA are developing predictive financial models for Adult Services which are being trialled at the Council to assess their benefits. • Fortnightly meetings are held to examine any budget matters and take remedial action as appropriate. <u>Children's Services</u> <ul style="list-style-type: none"> • The Director of Children's Services is part of a working group with the LGA and Newton 	<u>Adult Services</u> <ul style="list-style-type: none"> • To date the directorate has been under budget year on year due to effective budget management. <u>Children's Services</u> <ul style="list-style-type: none"> • Effective lobbying may help inform the future availability

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		<p>Europe which is considering the predicted £20 billion overspend in future years and the impacted of deprivation and poverty on the demands on Children's Services.</p> <ul style="list-style-type: none"> • The LGA are facilitating a partners day which the Council will engage in to start sustainability planning. • The Council have expressed an interest to the Ministry of Housing, Communities and Local Government to be part of the fairer funding review. • Internal monthly meets are held to discuss the budget and sufficiency. 	of funding for Children's Services.
<p>Actively participate in system transformation planning with partners.</p> <p>(Target Date: March 2019)</p>	Heads of Service	<p><u>Adult Services</u></p> <ul style="list-style-type: none"> • The service engages with key partners in relevant areas to inform and deliver transformation. • The restructure of the change programme by key partners can be a barrier in ensuring that the Council are continually involved in developments. • The Director of Adult Services is the Chair of the Regulated Care Workstream. • Regular provider engagement takes place to drive change in the Council. <p><u>Children's Services</u></p> <ul style="list-style-type: none"> • An improvement board is in place which meets monthly which is focused on transformation planning with partner agencies. • Provider engagement is now in place. 	<p><u>Adult Services</u></p> <ul style="list-style-type: none"> • Transformation delivered as required. <p><u>Children's Services</u></p> <ul style="list-style-type: none"> • Transformation delivered as required.
Heads of Services to contribute to commissioning reviews and potential service developments.	Heads of Service	<p><u>Adult Services</u></p> <ul style="list-style-type: none"> • All Heads of Service are proactively involved in the development and transformation of 	<p><u>Adult Services</u></p> <ul style="list-style-type: none"> • Service management involved in assessing

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<p>(Target Date: March 2019)</p>		<p>services.</p> <ul style="list-style-type: none"> • It is acknowledged that responding to demands in the system make it difficult to undertake development work. <p><u>Children’s Services</u></p> <ul style="list-style-type: none"> • The Sufficiency Strategy and Commissioning Framework are being reviewed and will be implemented in the next 12 months. • Sufficiency is focused on three key areas including fostering, placements and support in the home and each element is subject to a review. • The sufficiency strategies are linked to the Journey of the Child work and one of the challenges is that to base the strategy on the current cohort of looked after children will not reflect where the Council would like to be. The focus needs to be built on preventing children being looked after rather than statutory intervention. 	<p>developments to ensure that they are effective.</p> <p><u>Children’s Services</u></p> <ul style="list-style-type: none"> • Service management involved in assessing developments to ensure that they are effective.
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