

**Strategic Risk Register Progress Report**

**Strategic Risk: Sustainability of the Council**

No	Risk	Sub No.	Sub-Risk	% Overall Weighting	Impact / Consequences	Opportunity	Gross Risk Score			Controls and Mitigation	Nett Risk Score			Further Actions	Risk Manager	CLT Risk Owner	Target Date	Council Priority
							I	L	GS		I	L	NS					
2	Sustainability of the Council	2a	Insufficient funding to deliver services.	30%	<p>Insufficient capacity to deliver stretched budget savings plans, income recovery and external funding applications.</p> <p>Unplanned overspends for a variety of reasons including demographic pressures, political and /or economic factors such as interest rate rises.</p> <p>Erosion of working balances and earmarked reserves.</p> <p>Impact on staff morale and recruitment and retention.</p>	<p>Income generation opportunities.</p> <p>Partnership working.</p> <p>Mid-year budget reviews.</p>	5	5	25	<p>Six Year Financial Sustainability Strategy in Place.</p> <p>Statutory requirement to balance the budget.</p> <p>Financial assurance processes set out in the Medium Term Financial Plan.</p> <p>Priority led budgeting process including investment of resources where needed.</p> <p>Monthly financial monitoring including achievement of saving targets and collection of income.</p> <p>Financial governance including Statutory Finance Officer, Corporate Leadership Team, Treasury Management Panel, Executive, Scrutiny Committee, Audit Committee and Full Council.</p>	5	3	15	Ongoing financial modelling to assess the impact of funding cuts particularly given the level of uncertainty beyond 2020/21 such as the review of the Fair Funding Formula, Business Rate Retention and New Homes Bonus.	Chief Accountant	Director of Resources	December 2020	Organisational Resilience

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							I	L	GS	I	L	NS								
2	Sustainability of the Council	2b	Insufficient central government funding for Social Care.	50%	Council unable to balance budget.	Consider options for shared services and opportunities for flexible use of new funding streams.	5	5	25	Priority led budgeting process including investment of resources where needed.	5	4	20	Participate in financial modelling exercises to challenge government assumptions and support lobbying for resource.	Heads of Services	Director of Adult Services / Director of Children's Services	March 2021	Organisational Resilience		
					Council unable to meet statutory duties and deliver reforms.					Head of Service report budget issues to the Directors so that these can be addressed.										
					External care market becomes unsustainable.					Heads of Services actively contribute to commissioning reviews and potential service developments.										
					Lack of clarity around the Adult Social Care Green paper which has yet to be issued.					Performance and quality impact information is accurate and kept up to date to ensure a comprehensive view of actual performance.										
									Use of the CIPFA predictive financial model for Adult Services to help budget setting.											
		2c	Climate emergency / unsustainable carbon emissions.	20%	Global warming and rising sea levels.	Strong policies to cut emissions have associated health, wellbeing and economic benefits.	5	5	25	Establishment of four workstreams to consider how the Council can reduce emissions, change organisational culture, engage the town and influence national policy.	5	4	20	Implement robust plans in order to make the Council's activities net-zero carbon by 2030.	Head of Commissioning, Performance and Corporate Development	Chief Executive	January 2030	Organisational Resilience		
					Reputational damage due to the Council if not taking robust action to reduce carbon.	Preserve Blackpool's ecological and environmental heritage.				Climate Emergency Working Group established to consider emerging solutions and funding bids, and ensure the systematic consideration of potential change impact of each area of Council's activities.				Establish a Climate Change Partnership group to consider strategies and actions being developed by the Council and other partner organisations.	Head of Commissioning, Performance and Corporate Development	Chief Executive	March 2021	Organisational Resilience		
													Ensure that the Council's energy management arrangements are robust.	Head of Procurement	Director of Resources	March 2021	Organisational Resilience			
<b>Overall Nett Risk Score</b>											<b>18.5</b>									

## Strategic Risk Register Progress Report

<b>Sub-Risk: Insufficient funding to deliver services. (weighting 30%)</b>		<b>Gross Risk Score</b>	<b>Nett Risk Score</b>
		<b>25</b>	<b>15</b>
<i>Risk Score in 2019/20</i>		<b>25</b>	<b>15</b>
<b>Risk Owner: Director of Resources</b>			
<b>Existing Controls in Place:</b>			
<ul style="list-style-type: none"> <li>• Six Year Financial Sustainability Strategy in Place.</li> <li>• Statutory requirement to balance the budget.</li> <li>• Financial assurance processes set out in the Medium Term Financial Plan.</li> <li>• Priority led budgeting process including investment of resources where needed.</li> <li>• Monthly financial monitoring including achievement of saving targets and collection of income.</li> <li>• Financial governance including Statutory Finance Officer, Corporate Leadership Team, Treasury Management Panel, Executive, Scrutiny Committee, Audit Committee and Full Council.</li> </ul>			
<b>Actions:</b>			
<b>Actions</b>	<b>Risk Manager</b>	<b>Current Position</b>	<b>Outcomes / Results</b>
<p>Ongoing financial modelling to assess the impact of funding cuts, particularly given the level of uncertainty beyond 2020/21, such as the review of the Fair Funding Formula, Business Rate Retention, and New Homes Bonus.</p> <p>(Target Date: December 2020)</p>	Chief Accountant	<ul style="list-style-type: none"> <li>• The introduction of the Fair Funding Formula and New Homes Bonus have been delayed by at least a year with Business Rate revaluations being postponed for two years, all which creates uncertainty when planning for the Council's future.</li> <li>• Budget monitoring has taken place from month 0 including forecasting the impact that the pandemic has had on the Council's financial position.</li> <li>• This year is unprecedented in the operational and consequential financial demands being placed upon the Council from the very outset, with the introduction of the Government's lockdown and restriction measures resulting from the</li> </ul>	<ul style="list-style-type: none"> <li>• Evidence solvency of the Council.</li> <li>• Provision of financial data to assist with lobbying government with regards to key areas of pressure.</li> </ul>

## Strategic Risk Register Progress Report

		<p>Covid-19 pandemic. This has impacted in a variety of ways; from increasing service demand and cost, to curtailing income sources, and not just for Council services, but also its private sector providers, wholly owned companies and its partners.</p> <ul style="list-style-type: none"><li>• This has necessitated budgetary overspends, supplier reliefs and subsidies, cash flow loans, and other support measures besides implementing at short notice Government policy initiatives such as business support grants, business rate reliefs and infection prevention and control grants.</li><li>• It has been indicated that the Government's Autumn Statement will cover the period of 2021/22 to 2023/24. It is hoped that by the end of the calendar year there will be sufficient clarity regarding Covid-19, and future funding policies for local government to enable a refresh of the medium-term financial sustainability strategy together with an updated medium term financial plan of at least 5 years' horizon.</li><li>• There is potential for Local Government devolution across Lancashire which would see a reorganisation of local government. A White Paper is expected in autumn relating to this.</li><li>• The Council has also been invited by the LGA to participate in a group looking at financial sustainability in coastal towns.</li></ul>	
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## Strategic Risk Register Progress Report

<b>Sub-Risk: Insufficient central government funding for Social Care. (weighting 50%)</b>		<b>Gross Risk Score</b>	<b>Nett Risk Score</b>
		<b>25</b>	<b>20</b>
		<i>Risk Score in 2019/20</i>	<b>15</b>
<b>Risk Owner: Director of Adult Services / Director of Children's Services</b>			
<b>Existing Controls in Place:</b>			
<ul style="list-style-type: none"> <li>• Priority led budgeting process including investment of resources where needed.</li> <li>• Heads of Services report budget issues to the Directors so that these can be addressed. (please note that although copied directly from the SRR it should be plural.</li> <li>• Heads of Services actively contribute to commissioning reviews and potential service developments.</li> <li>• Performance and quality impact information is accurate and kept up to date to ensure a comprehensive view of actual performance.</li> <li>• Use of the CIPFA predictive financial model for Adult Services to help budget setting.</li> </ul>			
<b>Actions:</b>			
Actions	Risk Manager	Current Position	Outcomes / Results
Participate in financial modelling exercises to challenge government assumptions and support lobbying for resource.  (Target Date: March 2021)	Heads of Services	<u><b>Children's Services</b></u> <ul style="list-style-type: none"> <li>• The drivers for rising expenditure in children's services are well understood and have been for some time: the number of children in care, and the number of those children in costly residential placements or independent fostering agency foster homes.</li> <li>• An ambitious and updated Children's Services Medium Term Financial Strategy is in place which is necessary given the current level of expenditure on Children's social care.</li> </ul>	<ul style="list-style-type: none"> <li>• Value for money and positive outcomes for those residents who are in the Council's care.</li> <li>• Aspire to deliver services within the allocated budget.</li> <li>• Effective support for our residents and front line workers during the current pandemic.</li> </ul>

## Strategic Risk Register Progress Report

		<ul style="list-style-type: none"><li>• Considerable progress has been made in the quality and robustness of services provided for vulnerable local children and families, but it is critical that the financial pressure arising from children in care and the cost of their placements are addressed. The Council's exposure to the external market in placements for children in care needs to be reduced and limited.</li><li>• Supported by ongoing investment by the Council and under the oversight of the Department for Education Commissioner and Advisor, over the past 15 months, Children's Social Care has been reviewed and redesigned. This has led to a much more robust, resilient service overall. It has also led to legacy issues being addressed, especially around long-term neglect and children and families with repeated cycles of Children's Social Care involvement. This, in turn, has led to an increase in the number of children in care from the late autumn of 2019 and into 2020.</li><li>• The growth in the number of children in care has substantially increased the pressure on Children's Services budgets, as the Council's own foster home capacity was exhausted. This has led to an increase in the number of children placed in foster homes purchased from independent fostering agency placements, in addition to increased fragility in placements and escalation of a steady number of young people into the most expensive placements of all - children's homes.</li></ul>	
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## Strategic Risk Register Progress Report

		<ul style="list-style-type: none"><li>• The Medium-Term forecast – jointly developed by colleagues in the Corporate Delivery Unit and Finance department - on the basis of already agreed projects and approaches, foresees a moderation in expenditure over the next five years.</li></ul> <p><b><u>Adult Services</u></b></p> <ul style="list-style-type: none"><li>• The service has experienced additional costs as a result of the pandemic particularly in relation to the purchase of PPE, uplifts to providers, and also changes to hospital discharges.</li><li>• A consolidated financial position relating to the impact of Covid is in place as part of the Healthy Lancashire and South Cumbria partnership.</li><li>• The Council continues to work with care providers as part of the Regulated Care Group, and provides support as required. The feedback from suppliers in relation to the work that Blackpool Council has done has been positive.</li><li>• There are ongoing national issues in relation to the funding of adult social care which are well documented and known.</li><li>• The Council continues to monitor the financial position to support the sustainability of providers to ensure that service users have access to appropriate support when they need it.</li><li>• Improved transparency in recent years regarding provider costs has assisted in</li></ul>	
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## Strategic Risk Register Progress Report

		Council decision making regarding setting fee rates at a level that supports provider sustainability.
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<b>Sub-Risk: Climate emergency / unsustainable carbon emissions. (weighting 20%)</b>		<b>Gross Risk Score</b>	<b>Nett Risk Score</b>
		<b>25</b>	<b>20</b>
		<i>Risk Score in 2019/20</i>	<b>N/A</b>
<b>Risk Owner: Chief Executive / Director of Resources</b>			
<b>Existing Controls in Place:</b>			
<ul style="list-style-type: none"> <li>Establishment of four workstreams to consider how the Council can reduce emissions, change organisational culture, engage the town, and influence national policy.</li> <li>Climate Emergency Working Group established to consider emerging solutions and funding bids, and ensure the systematic consideration of potential change impact of each area of Council's activities.</li> </ul>			
<b>Actions:</b>			
<b>Actions</b>	<b>Risk Manager</b>	<b>Current Position</b>	<b>Outcomes / Results</b>
Implement robust plans in order to make the Council's activities net-zero carbon by 2030.  (Target Date: January 2030)	Head of Commissioning, Performance and Corporate Development	<ul style="list-style-type: none"> <li>At its meeting of 26th June 2019, the Council passed a motion proposed by the Council Leader to declare a Climate Emergency noting the impacts of climate breakdown around the world and that the Authority had a duty to take action to address these issues, with the reductions of emissions also being associated with positive health, wellbeing and economic benefits.</li> <li>The declaration particularly covers a reduction in emissions of the Council and across the town generally, engagement</li> </ul>	<ul style="list-style-type: none"> <li>The primary commitments made are to make the Council's activities net-zero carbon by 2030, and achieve 100% clean energy across the Council's full range of functions by the same date.</li> </ul>



## Strategic Risk Register Progress Report

		<p>with the public and stakeholders, effecting a culture change across our organisation, wholly-owned companies, staff and partners, and taking a role to exert wider influence beyond Blackpool on this issue.</p> <ul style="list-style-type: none"><li>• An action plan has been developed, with progress made so far including:<ul style="list-style-type: none"><li>○ Switching to a 100% renewable and non-nuclear electricity supply across all Council companies, except Blackpool Transport (who have their own supply arrangements in place) from 1st April 2020.</li><li>○ Undertaking fleet data analysis and an option appraisal for introducing electric vehicles.</li><li>○ Establishing a Climate Emergency Steering Group</li><li>○ Introducing a new emissions-based staff travel hierarchy.</li><li>○ Reviewing Council strategy and approval procedures to ensure sustainability and the environment is considered in the decision-making process.</li><li>○ Introducing a Sustainability Impact Assessment process.</li></ul></li><li>• Consideration is also being given to the staffing requirements of implementing activity to deliver this target. A list of potential interventions and projects has been drawn up, which will be considered as part of the Climate Assembly process, and lead to the production of an enhanced</li></ul>	
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## Strategic Risk Register Progress Report

		action plan which seeks to tackle the issues proactively, including via external partnerships and seeking grant funding.	
<p>Establish a Climate Change Partnership group to consider strategies and actions being developed by the Council and other partner organisations.</p> <p>(Target Date: March 2021)</p>	<p>Head of Commissioning, Performance and Corporate Development</p>	<ul style="list-style-type: none"> <li>• Steps are being taken to set up the Climate Action Partnership / Working Group with appropriate representatives being identified.</li> <li>• Discussions are ongoing to identify budget to host a Climate Assembly, which will be the start of mass public discussion and involvement in the creation of an action plan, and to partner with an expert organisation on creating a roadmap to net-zero across the Council and town.</li> </ul>	<ul style="list-style-type: none"> <li>• Stakeholder engagement contributing to the Council's climate emergency agenda.</li> </ul>
<p>Ensure that the Council's energy management arrangements are robust.</p> <p>(Target Date: March 2021)</p>	<p>Head of Procurement</p>	<ul style="list-style-type: none"> <li>• An internal audit of energy management is scheduled to take place this financial year which will provide independent assurance on the robustness of the Council's energy management approach.</li> <li>• An Energy Management Group is in place, which meets on a regular basis, which is chaired by the Director of Resources and attended by the Director of Communications and Regeneration, Head of Procurement, Energy Manager, Head of Property Services, and Transformation Manager.</li> <li>• Steps are being taken to assess the feasibility of linking energy efficiency schemes with the budget / final accounts so that the impact of such schemes can be demonstrated.</li> </ul>	<ul style="list-style-type: none"> <li>• Efficient energy management arrangements in place.</li> </ul>