

**CYNGOR SIR POWYS COUNTY COUNCIL.**

**CABINET EXECUTIVE**  
**Tuesday, 7<sup>th</sup> March 2023**

**REPORT AUTHOR:** County Councillor Cllr David Thomas  
Portfolio Holder for Cabinet Member for Finance and Corporate Transformation

**REPORT TITLE:** Strategic Risk Register Report Quarter 3 2022/2023

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**REPORT FOR:** Decision

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**1. Purpose**

- 1.1 The purpose of this report is to set out the Council's latest position on managing its key risks, contained in the Strategic Risk Register (SRR).

**2. Background**

- 2.1 Our Strategic Risk Register is key to safeguarding the organisation and building resilience into our services. At a time when the Council has faced and is still facing unprecedented challenges, the effective management of risk is needed more than ever. A risk-managed approach to decision making will help us to achieve the well-being objectives in Stronger, Fairer, Greener: Our Corporate plan, deliver services more efficiently and using innovative and cost-effective means.

**3. Advice**

- 3.1 To ensure a risk managed approach to decision making and good governance of the Council, it is proposed that Cabinet.
- Review progress to mitigate strategic risks
  - Review SRR proposals

Review of progress to mitigate Strategic Risks

- 3.2 As at the end of quarter 3 2022-2023, there are 15 risks on the strategic risk register and all strategic risk owners have provided a short summary of progress since last quarter, to give assurance that mitigating actions are being actioned and monitored.
- 3.3 Please see appendix A for full details of the 15 strategic risks including the mitigating actions identified to control them and progress reviews.

- 3.4 Please see appendix B to view a heat map which presents the results of the quarter 3 risk assessment process visually. It highlights (for the residual risks) the following:

Seven out of the fifteen risks have a probability of 'likely' and an impact of 'major'.

#### Escalation of risks to the Strategic Risk Register

- 3.5 Financial services would like to escalate the following risk with a residual score of 12:

IAWARD0009: IF the Council is susceptible to higher levels of fraud, as people struggle with the cost-of-living crisis and as organised fraud take advantage of the challenging environment

Potential consequences: Then this could lead to lost income revenues, and increased service provision costs.

Mitigating actions as follows:

- Fraud team to review fraud risks with service areas and determine action plan
- SWAP Undertake the remaining fraud risk assessments in 4 service areas
- Provide section 151 officer with fraud risk Intelligence bi-annually.
- Regular monitoring activities (Data-matching exercises; CIFAS alerts shared, Participation in the National Fraud Initiative; Circulating National Anti-Fraud Network (NAFN) updates; Undertake reviews of high-risk areas such as Council tax Discounts and Exemptions)

Examples of past fraud have been provided to Cabinet separately to aid their understanding of the current residual score setting.

- 3.6 Property Planning and Public Protection would like to escalate the following with a risk residual score of 12:

PPPP0029: IF planned power outages (rota disconnections) occurs then it may affect our ability to deliver services

Potential consequences: Then there will be immediate impacts on telephony, communication, ICT, fuel, transport, medical, retail, sanitation, emergency response, banking and & water distribution which will impact on our ability to deliver services.

The impact will vary in severity depending upon the length of time without power (The UK Gov target for 100% restoration from 100% outage is currently (Dec 2022) 7 days therefore in theory POs can be anything from seconds to 7 days.

Mitigating actions as follows:

- Property and HTR to agree a forward plan to deliver fuel to County Hall's generator if needed

- All services to review Business Continuity plans in relation to power outage
- The Council to liaise with providers like EE to see what their plans are
- ICT has setup a management Whatsapp group for all team leaders
- Uninterrupted power supplies on our key ICT servers monitoring their own readiness
- Generator at County Hall tested on a monthly basis
- SLT instructed to relocate to County Hall at first sign of a prolonged outage and activate the SLT Incident Response Guide
- Consider UPS at the homes of identified key officers
- Paper to SLT to initiate discussion on power outages
- Attendance (virtual) at national seminars on planning for Power Outages
- Commission care providers' business continuity planning
- Further electrical work at Penybont depot to ensure access to bunkered fuel supplies of diesel (to drive the generator)
- Take part in major exercises scheduled to test the response to power outages
- SLT to agree a priority list of services/people to have access to county hall and continued use of systems
  - SLT to agree which services/people get access to county hall and continued use of systems

### De-escalation of risks to the Strategic Risk Register

#### 3.7 Education and Children Services would like to de-escalate the following 2 risks:

ED0022: IF the Council is unable to improve financial management of the schools' budget, through ongoing adjustments to the distribution formula, they will be unable to manage the budget, resulting in a significant compromise to the quality of education for Powys learners  
 Potential consequences: Then some schools will have escalating deficits which will have a financial impact on the rest of the Council and the learners in their care.

CS0081: IF Children's Services are unable to manage within budget due to:

- Market sufficiency for children's placements
- Reliance on agency social workers
- Inflationary costs and management of pressures
- Surge in demand due to COVID-19 and other ILI's (influenza like illnesses)
- Ending of grant funding

Potential consequences: Then this will have negative implications for the whole Council.

Reasoning: Both risks are currently covered by FIN0001 'The Council is unable to deliver a financially sustainable budget over the short and medium term. The continued impact of COVID coupled with the more

recent events around rising inflation, energy costs and the situation in Ukraine impacting on supply chains and prices all increase the risk on the Council financial resilience’.

Both risks will continue to be managed on their own service risk registers and the following principal applied; Any individual services budget related risk will be integrated into FIN0001 however should an individual service risk score elevate to catastrophic it will be considered for escalation to the strategic risk register separately.

#### Service risk scored 15 or above for consideration

- 3.8 As per our Risk Management Framework any risk that is scored 15 or above must be considered for escalation by SLT.

The following risk falls into this category and is recommended to be escalated.

CS0091 If there is insufficient capacity to respond to the longer-term demand in children's and adults' services in timely manner  
Potential Consequences: Then the Local Authority will be unable to discharge its statutory duty and safeguard children, young people and adults. Residual score of 20.

Mitigating actions as follows:

- Agency Staff and Managed Team in both Adults and Children's Services
- Increase inhouse domiciliary care capacity
- Prioritise Adult Social services critical functions in line with business continuity planning

#### **4. Resource Implications**

- 4.1 There are no direct resource implications in relation to this report however all risk owners need to consider the resource implications of managing the risk and decide if the best course of action is to tolerate or treat.
- 4.2 The Strategic Risk Register outlines the key risks to the Council's activities, as well as risk to delivery of objectives contained within the Corporate Improvement Plan. There are no direct financial implications from the report although these may arise as new risks are identified on an on-going basis.

The Head of Finance (Section 151 Officer) notes the comment above, financial implications are identified through the relevant service and are considered through the financial management processes in line with the authorities' financial regulations. All services are considering the financial impact of any risks that are expected to continue into 2023/24 and beyond in their Service Integrated Business Plans.

#### **5. Legal implications**

- 5.1 Legal: The recommendations can be accepted from a legal point of view
- 5.2 The Head of Legal Services and the Monitoring Officer has commented as follows: “ I note the legal comment and have nothing to add to the report”.

**6. Data Protection**

6.1 N/A

**7. Comment from local member(s)**

7.1 N/A

**8. Integrated Impact Assessment**

8.1 N/A. The Service Risk Register is not setting out any changes or proposals to service delivery.

**9. Recommendation**

**It is recommended that Cabinet notes the current Strategic Risk Register and is satisfied with progress against mitigating actions for quarter 3, approves escalation of IAWARD0009, PPPP0029 and CS0091 (detailed under point 3.5, 3.6 and 3.8 respectively) and de-escalation of ED0022 and CS0081 (detailed under point 3.7) to the Strategic Risk Register.**

**The recommendation above will ensure:**

- **Appropriate understanding and management of strategic risks which could prevent us from achieving our objectives**
- **A risk managed approach to decision making and good governance of the Council**

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