

Risk Register report

DATE :

Summary of Risks Ratings

Almost Certain	0	0	0	0	0
Likely	0	0	0	2	0
Possible	0	0	0	0	0
Unlikely	0	0	0	0	0
Rare	0	0	0	0	0
Unassigned 0	Insignificant	Minor	Moderate	Major	Severe

Red Risks Total: 2

Risk Register	Risk Title	Net Risk Level	Risk Owner
Financial Services	The Council may be 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.	16	Jane Thomas
Powys County Council	The Council may be 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.	16	Jane Thomas

New Risks Total:

Risk Register	Risk Title	Net Risk Level	Risk Owner	Created Date
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Changing Risks Total:

Risk Register	Risk Title	Net Risk Level	Change	Risk Owner
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Detail

Financial Services

Risk Ref Date Identified	Risk Identified	Potential Consequence	Portfolio	Inherent	Residual	Latest Risk Reviews	
			Owner				
FIN0001 21/11/2012	The Council may be 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.	<ul style="list-style-type: none"> - The Council is unable to fulfil its legal obligation in setting a balanced budget - The Council will not be financially resilient or sustainable - Council reputation damaged - Inability to fulfil our statutory obligations - Inability to deliver the Council objectives 	Cllr David Thomas Jane Thomas	25	16	04/07/2023	<p>Qtr 1 23/24 Review Summary: The final outturn 2022/23 reports a net underspend, after contributions to specific reserves, of £6.7 million against the £221.9 million budget a 3.0% variance (excluding Schools and the Housing Revenue Account). This position will release one off funding to support the increasing pressure already facing the 2023/24 revenue budget particularly that relating to teachers and staff pay as pay award negotiations create unfunded pressure in next financial year. This goes some way to de-risk the Councils financial position in the short term but does not reduce the ongoing base budget pressure that continues to create a gap in our budget plans for next year and future years. The Sustainable Powys programme will seek to identify the opportunities to reduce council spend in order to bridge the budget gap over the next few years.</p> <p>17/04/2023</p> <p>Qtr 4 22/23 Review Summary: The council approved a balanced budget for 2023/24 with the inclusion of a 5% increase in Council Tax. The budget recognises the impact of increasing inflation across all services which have in the main been funded, although significant cost reductions are required to delivered within budget. The financial year for 2022/23 has now closed and the accounts are being finalised, the latest forecast based on the position at the end of February projects a surplus budget albeit with the draw down of specific reserves, as set aside last year. Work must now quickly turn to addressing the projected budget for 2024/25 and beyond.</p>

Controls and Actions				Latest Control	Reviews	Review Date
<ul style="list-style-type: none"> • Revise the Medium Term Financial Strategy 	<ul style="list-style-type: none"> Revise the assumptions included in the Strategy, calculate revised financial scenarios, identify the revised gap for each year and actions required to close it. 	Action In Progress	02/11/2022	Review Summary: Cabinet considered a report on the 27th September which setout the impact of the cost of living crisis on the council, the report outlined the changes and recommended that the MTFS was revised. the MTFS and FRM have both been reviewed and updated and the revised MTFS will be considered formally by Cabinet in December	14/11/2023	
			17/04/2023	Review Summary: The updated MTFS was approved by Council alongside the budget in March. The assumptions and costings included will be kept under constant review as we move through 2023/24 and further updates will be made if necessary as our plans for the medium term are developed.		
<ul style="list-style-type: none"> • Ongoing discussion with WG and WLGA through Society of Welsh Treasurers for Future Funding of Local Government 	<ul style="list-style-type: none"> To continue discussions to inform WG of the financial impact on Local Authorities of the pandemic , through recovery and into the future. Exchange of information to understand future funding settlements. 	Action In Progress	02/11/2022	Review Summary: Regular discussions continue. In September all LA's completed a survey which was used by WLGA to prepare a report for the WG Finance Sub group. This set out the impact of the current financial challenge across Wales and the significant financial pressures LA's are facing as they try to manage the impact of rising inflation, increasing energy costs and increasing demand for services.	14/11/2023	
			17/04/2023	Review Summary: SWT continue to raise awareness with WG through the WLGA on the impact of the financial sustainability of Local Authorities, highlighting the pressures the sector will face over the next few years and the impact of projected WG budgets and future funding settlements. The work is supported by the Wales Fiscal Analysis team and their analysis of the situation in Wales.		

Financial Services

<ul style="list-style-type: none"> WG claims for Hardship and lost income continue and expect to remain in place til march 2021 	Action Completed	04/04/2022 12/04/2021	<p>Review Summary: Final claims for 2021/22 will be submitted to WG shortly. Much of the hardship support will now cease and the Council has set aside funds to manage the ongoing impact of the pandemic for 2022/23.</p> <p>Review Summary: Welsh Government have confirmed that the hardship fund will continue for six months into 2021/22 and additional costs and loss of income will continue to be supported through this period. Monthly claims will continue to be made.</p>
<ul style="list-style-type: none"> Regularly monitor and review the financial position on monthly basis. Regular monitoring and commentary provided by Heads of Service will highlight issues early so that they can be addressed. Business cases and virements will be developed and considered to draw upon any additional financial support. 	Control In Place		
<ul style="list-style-type: none"> Service Integrated Business Plans will be reviewed and refreshed IBP's provide a robust mechanism for services to re assess their plans, including delivery of the Councils and the services objectives together with Business as Usual. This work ensures that services consider all the resource requirements for their service and clearly informs the development of the Councils financial plans, Revenue and Capital. 	Action Completed		
<ul style="list-style-type: none"> Keen focus on procurement issues - sharing information and knowledge across the LA/ WLGA network Cell already in place to monitor position and keep service managers informed. 	Action Completed		
<ul style="list-style-type: none"> Cell in place to monitor rising costs, supply chain issues and sharing of information across the Council Officer across the Council regularly meet to monitor and review the ongoing situation . National updates from WG and WLGA and other forums shared. Register of issues in place working with Procurement to manage any requests from external providers. Robust process of assessment in place with "open Book" evidence to support any requests for any increase in funding. Routine Virement process to be followed for requests for additional resources . 	Control In Place		
<ul style="list-style-type: none"> Instruction to all services across the council to pull back on expenditure through 2022/23 to manage the projected deficit A series of events put in place to inform staff , schools and members of the financial position and challenge the Council faces this year. All services and budget managers instructed to pull back on expenditure, delay projects and deliver within their budgets and where possible deliver underspends 	Action Completed	16/01/2023 17/04/2023	<p>Review Summary: Quarter 2 saw an improved position following the action take to reduce expenditure this year. This reduced the projected deficit to £7million, utilising the specific reserves set aside to manage the increasing costs at year end 31st March 2022. The development of the budget for 2023/24 has factored the continued increase prices and projected further inflation through the year. The increased costs have a significant impact on the budget and cost reductions have been identified that allow a ballanced budget to be set when factoring in the improved settlement and CT increase.</p> <p>Review Summary: Further improvement was seen through Quarter 3 and continues to be projected for the Year End , which now forecasts the achievement of a surplus against budget, albeit after the draw down of some specific reserves. Further analysis will be undertaken to understand the areas of underspend across services to seek opportunities of permanent cost reductions and whether these have already been offered up or can be made to resolve the budget gap for 2024/25.</p>

Detail

Financial Services

• The Reimaging the Council programme will fundamentally review and reshape the Council for the future. The programme will review each service across the Council, looking at the most economical and sustainable means of delivery to ensure that the Council can continue to deliver support for its residents and fulfil its statutory responsibilities whilst ensuring the Council is financially viable and resilient.

Action In Progress

14/08/2023

Review Summary: Sustainable Powys Programme is now actively being developed, Services are currently working through "ideas" generated by the workshops and making proposals for their service. Documents are being updated which capture what it is each service does that it doesn't have to, and what each service has to do alongside the options in terms of delivery for each element, and how could it be done differently. Further workshops with Senior Managers and Councillors will take place in September

14/11/2023

Detail

Powys County Council

Risk Ref	Risk Identified	Potential Consequence	Portfolio	Inherent	Residual	Escalated from : Financial Services	Latest Risk Reviews
Date Identified			Owner				
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Powys County Council

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